



Carlos Jackson
Executive Director

COMMUNITY DEVELOPMENT COMMISSION

County of Los Angeles

2 Coral Circle • Monterey Park, CA 91755

323.890.7001 • www.lacdc.org

Gloria Molina
Yvonne Brathwaite Burke
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich
Commissioners

August 5, 2003

Honorable Board of Commissioners
Community Development Commission
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Commissioners:

**CONSULTING SERVICES AGREEMENT WITH EPICEDGE, INC. FOR THE
IMPLEMENTATION OF PEOPLESOFT BUDGETING
MODULE (ALL DISTRICTS)
(3 Vote)**

**CIO RECOMMENDATION: APPROVE (X)
APPROVE WITH MODIFICATION () DISAPPROVE ()**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that the Consulting Services Agreement between the Community Development Commission and EpicEdge, Inc. is exempt from the National Environmental Policy Act (NEPA) and the California Environmental Quality Act (CEQA), as described herein, because consulting services to be carried out for the implementation of the PeopleSoft Budgeting 8.8 application will not have the potential for causing a significant effect on the environment.
2. Approve the award of a Consulting Services Agreement between the Commission and EpicEdge, Inc. effective, presented in substantially final form, to implement the PeopleSoft Budgeting 8.8 application.
3. Authorize the Executive Director to execute the Agreement, and all related documents, to be effective following approval as to form by County Counsel and execution by all parties, through June 30,

2004, and to use for this purpose a maximum of \$208,300 included in the Commission's approved 2003-2004 Fiscal Year budget.

4. Authorize the Executive Director to execute amendments to the Agreement, following approval as to form by County Counsel, to extend the term, for a period not to exceed one year, and to include additional customizations to implement the application; and to use for this purpose a maximum of \$83,320 from the source of funds described above.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

The Board previously authorized the Commission to purchase a software application to replace the legacy budget preparation system. Consulting services are required at this time to ensure efficient implementation of the Budgeting module of the PeopleSoft Financial application.

FISCAL IMPACT / FINANCING:

There is no impact on the County general fund. The contract will be funded with \$208,300 included in the Commission's approved 2003-2004 Fiscal Year budget. A 40 percent contingency, in the amount of \$83,320, is also being set aside for additional services and customizations that may be required, using the same source of funds.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

The current budget preparation system is a text-based proprietary system built in-house in 1988. It is very costly to obtain system support and the system's inflexibility and limited reporting features require use of external computer programs to manually aggregate and organize information or perform analyses. The changing requirements of the Commission call for user-friendly features, such as: seamless integration with desktop operations, a browser-based platform, and the capability for users to easily generate ad hoc reports and queries.

In December 1997, your Board approved the purchase of PeopleSoft Financials, Human Resources, and Budgeting 8.0 applications. The Financials and Human Resources components have been successfully implemented and are currently in use.

In June 2002, your Board approved the award of a one-year Consulting Services Agreement to Acuent, Inc. for the implementation of PeopleSoft Budgeting 8.0 application. During negotiations, Acuent, Inc. stated that it had experience with the budgeting application and could successfully perform the scope of work outlined in the agreement. However, late in the development phase, it was

determined that Acuent, Inc. had experience with the previous version of the application, but did not have experience with implementing the 8.0 version. The project was subsequently ended by mutual consent following discussions with all parties. County Counsel and the County Chief Information Officer (CIO) worked with the Commission to claim a credit from Acuent, Inc. for the portion of work not completed.

During the term of the above contract, Acuent, Inc. performed a Fit/Gap Analysis which identified the Commission's needs and provided a comparison of the application's functions and features. This analysis indicated possible shortfalls in the application's functionality. The Commission was, therefore, able to benefit from the initial work, because it added essential knowledge of how the product works and where the gaps exist.

Under the proposed agreement, EpicEdge, Inc. will implement the latest PeopleSoft Budgeting 8.8 application, which offers security access control and electronic submission of budget data. The new application also offers sophisticated analysis and reporting features that will enable the Commission to meet its budget reporting needs. Among these features are budget allocations, mass adjustments, employee position budgeting, user created reports and multiple budget projections.

EpicEdge, Inc. will perform extensive analyses of policy and procedure definitions, in-depth business requirements, and budget system processing methodologies. The firm will also match the Commission's needs to the application's features and functions to develop a system design and project work plan, and complete the implementation. Requirements that cannot be met with the delivered application will be identified and evaluated for custom programming. Services will also include the development of custom training.

The proposed consulting services are being federally funded, and are not subject to the requirements of the Greater Avenues for Independence (GAIN) Program implemented by the County of Los Angeles. Instead, the contractor must comply with Section 3 of the Housing and Community Development Act of 1968, as amended, which requires that employment and other economic opportunities generated by certain HUD assistance be directed to low- and very low-income persons, particularly to persons who are recipients of HUD housing assistance.

The Agreement has been reviewed by County Counsel. In addition, the Commission's recommendation to retain the consulting services has been approved by the County CIO, based on the attached analysis.

ENVIRONMENTAL DOCUMENTATION

This project is exempt from the provisions of NEPA pursuant to 24 Code of Federal Regulations, Part 58, Section 58.34 (a)(3) because it involves administrative activities that will not have a physical impact or result in any physical changes to the environment. It is also exempt from the provisions of CEQA pursuant to State CEQA Guidelines 15060 (c)(2) because the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment.

CONTRACTING PROCESS:

On May 23, 2003, the Commission issued a Request for Proposals to identify a firm to provide consulting services to implement the PeopleSoft Budgeting 8.8 application. Advertisements appeared in seven newspapers and on the County Web Site. Five firms submitted proposals by the deadline of June 13, 2003.

On June 16, 2003, a panel of four Commission staff reviewed and evaluated all five proposals. The Commission negotiated with the top two most responsive firms, and determined that EpicEdge, Inc. was the most qualified firm based on knowledge, experience, and cost in implementing the PeopleSoft Budgeting 8.8 application.

EpicEdge, Inc. is a PeopleSoft Certified Consulting Partner and specializes in consulting services related to the software developed by PeopleSoft USA, Inc., including the implementation, customization and support of the PeopleSoft Budgeting 8.8 application.

The Summary of Outreach Activities is provided as Attachment A.

IMPACT ON CURRENT SERVICES AND PROJECTS:

The Consulting Services Agreement will allow for the successful implementation of the PeopleSoft Budgeting 8.8 application.

Respectfully submitted,

Reviewed by:

CARLOS JACKSON
Executive Director
COMMUNITY DEVELOPMENT COMMISSION
COUNTY OF LOS ANGELES

JON FULLINWIDER
Chief Information Officer
COUNTY OF LOS
ANGELES

Attachments: 3

ATTACHMENT A

SUMMARY OF OUTREACH ACTIVITIES

THE IMPLEMENTATION OF PEOPLESOFT BUDGETING 8.8 APPLICATION

On May 23, 2003, the following outreach was initiated to identify consultants to implement the PeopleSoft Budgeting 8.8 application.

A. Newspaper Advertising

Announcements appeared in seven local newspapers, four of which are minority publications.

Los Angeles Times
Daily News Los Angeles
WAVE Community Newspapers

International Daily News
Press Telegram
La Opinion
Los Angeles Sentinel

B. Distribution of Request For Proposal Packets (RFP)

An announcement and entire RFP were posted on the County Web Site and available for downloading.

C. Pre-Bid Conference

A pre-bid conference was held on June 4, 2003. Representatives from 13 firms attended.

D. Request For Proposal Results

On June 13, 2003, a total of five proposals were received and publicly opened. The results are as follows:

<u>Company</u>	
EpicEdge	\$202,300.00
CherryRoad Technologies, Inc. (formerly Acuent, Inc.)	\$299,000.00
AG Consulting	\$380,525.00
PeopleSoft, Inc.	\$417,300.00
SkyBridge Global	\$589,600.00

E. Review of Proposals

On June 16, 2003, a review panel consisting of Commission staff familiar with the project reviewed the proposals and ranked each firm independently. The

Commission negotiated with EpicEdge, Inc. and PeopleSoft, Inc., the top two most responsive firms. It was subsequently determined that EpicEdge, Inc. was the most qualified firm based on knowledge, experience, and cost. EpicEdge, Inc. is being recommended for award of the Consulting Services Agreement.

F. Minority/Female Participation – Selected Consultants

<u>Name</u>	<u>Ownership</u>	<u>Employees</u>
EpicEdge, Inc.	Non-Minority	Total: 106 17 minorities 38 women 16% minority 36% women
<u>Sub-Contractor</u>		
PeopleSoft USA, Inc.	Non-Minority	Total: 6,524 2,020 minorities 2,881 women 31% minority 44% women

G. Minority/Female Participation – Consultants Not Selected

<u>Name</u>	<u>Ownership</u>	<u>Employees</u>
CherryRoad Technologies, Inc. (formerly Acuent, Inc.)	Non-Minority	Total: 374 95 minorities 147 women 25% minority 39% women
AG Consulting	Non-Minority	Total: 395 72 minorities 160 women 18% minority 41% women
PeopleSoft USA, Inc.	Non-Minority	Total: 6,524 2,020 minorities 2,881 women 31% minority 44% women

SkyBridge Global

Non-Minority

Declined to
provide information

The Community Development Commission conducts ongoing outreach to minorities and women in the contract award process, including: providing information at local and national conferences; conducting seminars for minorities and women regarding programs and services; advertising in newspapers to invite placement on the vendor list; and mailing information to associations representing minorities and women. The above information has been voluntarily provided to the Community Development Commission.

The recommended award of the Agreement is being made in accordance with the Community Development Commission's policies, and without regard to race, creed, color, or gender.

CIO ANALYSIS

CONSULTING SERVICES AGREEMENT WITH EPICEDGE, INC. FOR THE IMPLEMENTATION OF THE PEOPLESOFT BUDGETING MODULE

CIO RECOMMENDATION: ☒ APPROVE ☐ APPROVE WITH MODIFICATION
☐ DISAPPROVE

Contract Type:

☒ New Contract ☐ Contract Amendment ☐ Contract Extension
☐ Sole Source Contract

New/Revised Contract Term: Base Term: < 1 Yrs # of Option Yrs 0

Contract Components:

☐ Software ☐ Hardware ☐ Telecommunications
☒ Professional Services

Project Executive Sponsor: Carlos Jackson, Director CDC

Budget Information :

Y-T-D Contract Expenditures	\$0
Requested Contract Amount	\$\$208,300
Aggregate Contract Amount	\$\$208,300

Project Background:

Yes	No	Question
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Is this project legislatively mandated?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Is this project subvented? If yes, what percentage is offset? 100%

Strategic Alignment:

Yes	No	Question
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Is this project in alignment with the County of Los Angeles Strategic Plan?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Is this project consistent with the currently approved Department Business Automation Plan?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Does the project's technology solution comply with County of Los Angeles IT Directions Document? web-based
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Does the project technology solution comply with preferred County of Los Angeles IT Standards? Software product is the same as the LACAS preferred vendor

Project/Contract Description:

To acquire implementation services to install PeopleSoft's Budget Module ver. 8.8 as a replacement to the Commission's current PC (Dbase IV) budget system, that currently does not meet the Commission's needs.

Background:

The current system does not comply with the recommendation from the 1999 management audit conducted by the Office of Auditor Controller to report to the Board on capital projects. Furthermore, it is very slow and cumbersome to use. Analysts from the Budget department have been using spreadsheet and word processing software to complete and perform analyses of the budgets. The PeopleSoft Budget Planning Web-based application has the capability to interface with the Commission's current Financial and Human Resources systems.

Project Justification/Benefits:

The current budget system was developed in-house in 1988. The individual who built the current budget system is no longer with the Commission's IT department, therefore, it is very costly to obtain system support. Due to the limitation of this DOS based system, it is impossible to make enhancements to fulfill the Commission's changing business needs.

The present system cannot accommodate the recommendation from the Office of Auditor Controller to report on capital projects. Its inflexibility and limited reporting features requires staff to use manual means to aggregate the information and to perform analyses. The PeopleSoft Budget Planning system offers sophisticated budget analysis and reporting features which would allow the Commission to meet all its reporting needs. Some of the key features are budget allocations, mass adjustments, position budgeting, user created reports and multiple projections.

The Commission's changing environment requires user friendly features that are offered in the new system, such as: seamless integration with desktop operations, a browser-based platform, and the capability for users to easily generate ad hoc reports and queries. These features will greatly enhance efficiency in the overall budget cycle, including increased reporting requirements.

Project Metrics

Metrics that will define a successful implementation include the capability to generate a Fiscal Year 2003/2004 Budget, ability to generate routine and ad-hoc reports and a seamless integration with the PeopleSoft Human Resources and Financial systems.

Impact If Proposal Is Not Approved

The Commission will need to continue to rely on an in-house developed, non supported system that does not meet their current budget preparation requirements. In addition, the Commission will continue to be non-compliant with the Auditor-Controller's recommendations.

Alternatives Considered:

The two alternatives available to CDC included: 1) remaining on the existing out-dated in-house developed budget system or 2) develop/purchase a system not compatible with the existing PeopleSoft Enterprise Resource Planning suite. Using the PeopleSoft suite is the most cost effective and functional approach to pursue.

Project Risks:

The PeopleSoft Budget module is a well proven and reliable product. The risk involved with this project is not the software product but the ability for the implementor to properly install and configure the module. Few government clients have implemented the PeopleSoft Budget module and there are only a limited number of integrators experienced with this product. From the experience CDC had with their previous attempt to implement PeopleSoft Budget 8.0, it is essential that this implementation be performed by a vendor who has successfully implemented 8.8 in the public sector. This was a key factor in the selection of EpicEdge.

Risk Mitigation Measures:

Due to the problems encountered with the integrator involved in the prior implementation process, this office requested that CDC include, within the body of this agreement, that PeopleSoft technical support provide "independent validation and verification" support to CDC to monitor the performance of EpicEdge. This office will also provide limited oversight to the project.

Financial Analysis:

There is no impact on the County General Fund. The contract will be funded with \$208,300 included in the Commission's approved 2003-2004 Fiscal Year budget. A 40 percent contingency, in the amount of \$83,320, is also being set aside for additional services and customizations that may be required, using the same source of funds.

Approval of the Commission's Board letter authorizes the CDC Director to amend the term and contract sum of this agreement.

CIO Concerns:

None

CIO Recommendations:

The CIO supports this agreement with EpicEdge, Inc. in the amount not to exceed \$208,300 to implement PeopleSoft version 8.8 at CDC.

We recommend that this office review the final agreement, and any subsequent amendments, prior to execution by the Executive Director to ensure that the terms and conditions have not substantially deviated from this current document.

CIO APPROVAL

Date Received: 7/12/03

Prepared by: [Signature]

Date: 7/24/03

Approved: [Signature]

Date: 7/24/2003

**CONSULTING SERVICES AGREEMENT
BY AND BETWEEN
COMMUNITY DEVELOPMENT COMMISSION OF THE COUNTY
OF LOS ANGELES AND EPICEDGE, INC.**

This Consulting Services Agreement (hereinafter "Agreement") is made and entered into this _____ day of _____, 2003 by and between the Community Development Commission of the County of Los Angeles (hereinafter "Commission" or "CDC") and EpicEdge, Inc., a Texas corporation (hereinafter "Contractor" or "Consultant").

1. RECITALS

WHEREAS, Contractor is a PeopleSoft Certified Consulting Partner and specializes in consulting services relating to the software developed by PeopleSoft USA, Inc. (hereinafter "PeopleSoft"), including but not limited to, implementation, customization and support of PeopleSoft's Budgeting 8.8 software modules; and

WHEREAS, Contractor has been selected to provide such consulting services as a result of a Request for Proposals (RFP No. PS-BUDGETING).

NOW, THEREFORE, in consideration of the mutual covenants set forth herein and the mutual benefits to be derived therefrom, Commission and Contractor agree as follows:

2. APPLICABLE DOCUMENTS

2.1 The provisions of this document, along with Exhibits A, B, C, D and E, attached hereto, and Exhibits F and G, not attached hereto, all described in Paragraph 2.2 below and incorporated herein by reference, collectively form and throughout and hereinafter are referred to as the "Agreement."

2.2 In the event of any conflict or inconsistency in the definition or interpretation of any word, responsibility, schedule, or the contents or description of any task, deliverable, service or other work, or otherwise, between and/or among this base document and/or the Exhibits, such conflict or inconsistency shall be resolved by giving precedence first to this base document, and then to the Exhibits according to the following descending priority:

- Exhibit A - Statement of Work
- Exhibit B - Schedule of Deliverables and Payments
- Exhibit C - Project Schedule
- Exhibit D - Employee Acknowledgement and Confidentiality Agreement
- Exhibit E - Sample Amendment
- Exhibit F - Commission's Request for Proposals (RFP) No. PS-BUDGETING
- Exhibit G - Contractor's Proposal in Response to RFP No. PS-BUDGETING

3. DEFINITIONS

The terms and phrases in this Paragraph 3 in quotes and with initial letters capitalized, where applicable, shall have the following specific meanings when used in this Agreement, throughout and hereinafter:

3.1 Acceptance

As used herein, the term "Acceptance" shall mean Commission's authorized and written approval of any task, subtask, deliverable, good, service, work, or other legal consideration provided by Contractor to Commission.

3.2 Application Software

As used herein, the term "Application Software" shall mean PeopleSoft's software module or any other software module(s) implemented and/or modified by Contractor in accordance with this Agreement and Exhibit A (Statement of Work). Reference to the Application Software may include one or more components or modules thereof or all Application Software.

3.3 Contract Sum

As used herein, the term "Contract Sum" shall mean the maximum monetary amount payable by Commission to Contractor under this Agreement, as set forth in Paragraph 12 (Contract Sum).

3.4 County

As used herein, the term "County" shall mean the County of Los Angeles, California.

3.5 Customization(s)

As used herein, the term "Customization(s)", whether singular or plural, shall mean any Application Software modifications provided by Contractor in accordance with Paragraph 4.2 (Customizations), including the source code, the object code and related documentation for such Customizations. Any Customizations hereunder shall be provided by Contractor by executing a negotiated Amendment to this Agreement in accordance with Paragraph 9 (Change Notices and Amendments).

3.6 Deficiency; Deficiencies

As used herein, the terms "Deficiency" or "Deficiencies," whether singular or plural, shall mean and include defect(s) in design, development, implementation, materials, and/or workmanship; error(s); omission(s); deviation(s) from published and/or mutually agreed upon standards; deviation(s) from any of the requirement(s) or any Commission-approved Deliverable(s) or specifications under this Agreement; and/or other problem(s) which result in the Application Software modules implemented and/or modified by Contractor

not performing in strict compliance with the provisions of this Agreement, including Exhibit A (Statement of Work).

3.7 Deliverable(s); deliverable(s)

As used herein, the terms "Deliverable" or "Deliverables", whether used with initial letter capitalized or not, whether singular or plural, shall mean any task, subtask, deliverable, good, service, work or other legal consideration provided or to be provided by Contractor under this Agreement, including without limitation those items identified as numbered Deliverable(s) in Exhibit A (Statement of Work).

3.8 Effective Date

As used herein, the term "Effective Date" shall mean the date of execution of this Agreement by Commission's Executive Director.

3.9 Fixed Hourly Rate

As used herein, the term "Fixed Hourly Rate" shall mean the fixed hourly rate specified in Exhibit A (Statement of Work) and/or Exhibit G (Contractor's Proposal in Response to RFP No. PS-BUDGETING) at which Contractor shall provide Customizations under this Agreement, if elected by Commission. The Fixed Hourly Rate shall remain unchanged for the entire term of the Agreement, unless modified by a written amendment to this Agreement in accordance with Paragraph 9 (Change Notices and Amendments).

3.10 Go Live

As used herein, the term "Go Live" shall mean use by Commission of the Application Software implemented and/or modified by Contractor as identified in Task 6 (System Implementation and Support) of Exhibit A (Statement of Work) for any purpose other than testing and/or training whereby the full and complete business functions of Commission are performed.

3.11 Interfaces

As used herein, the term "Interface(s)", whether singular or plural, shall mean the set(s) of software mechanisms, including, but not limited to, object code and related documentation, which may be required to be provided by Contractor in order to complete the work and services pursuant to this Agreement, which allow the transfer of electronic data and data files and/or software commands between computer systems, applications or modules, and all enhancements, revisions and related documentation prepared by Contractor regarding such Interfaces. Reference to the Interfaces may include one or components thereof or all Interfaces required for this Agreement.

3.12 Project

As used herein, the term "Project" shall mean the performance of all of Contractor's duties and obligations under this Agreement.

3.13 State

As used herein, the term "State" shall mean the State of California.

4. WORK

4.1 Statement of Work

Contractor shall on a timely basis provide, complete, deliver and implement all tasks, subtasks, deliverables, goods, services and other work set forth in this Agreement. Contractor shall perform such tasks, subtasks, deliverables, goods, services and other work in accordance with Exhibit A (Statement of Work) at the fees and prices specified in Exhibit B (Schedule of Deliverables and Payments) and in accordance with the schedule set forth in Exhibit C (Project Schedule).

4.2 Customizations

Commission may at any time and from time to time during the term of this Agreement, request any or all Application Software modifications identified by Contractor in its Fit-Gap Report provided pursuant to Deliverable 2.1 (Completed and CDC Approved Fit/Gap Report) of Exhibit A (Statement of Work). Upon such request by Commission, Contractor shall submit a scope of work (hereinafter "Scope of Work") and a quote for the requested modifications (hereinafter "Customization(s)"). Commission will review such scope of work and the quote and recommend and/or request any revisions thereto. If approved by Commission in writing, following such approval, Commission and Contractor will execute an Amendment to this Agreement in accordance with Paragraph 9 (Change Notices and Amendments), which, among other changes, will increase, or otherwise modify, the Contract Sum set forth in Paragraph 12 (Contract Sum) below.

5. ADMINISTRATION OF AGREEMENT - COMMISSION

5.1 Commission's Project Manager

5.1.1 Commission's Project Manager for this Agreement shall be the following person or his/her designee:

Name: Agnes Chan, Project Manager
Address: 2 Coral Circle, Monterey Park, California, 91755
Phone: (323) 890-7310
Fax: (323) 869-0907
Email: agnes.chan@lacdc.org

5.1.2 Commission will notify Contractor in writing of any change in the name or address of Commission's Project Manager.

- 5.1.3 Commission's Project Manager will be responsible for ensuring that the objectives of this Agreement, including the technical standards and requirements, are met.
- 5.1.4 Commission's Project Manager is not authorized to make any changes to any of the terms and conditions of this Agreement or to further obligate Commission in any respect whatsoever.
- 5.1.5 Commission's Project Manager will have the right at all times to inspect any and all tasks, subtasks, deliverables, goods, services or other work provided by or on behalf of Contractor.

5.2 Commission Personnel

All Commission personnel assigned to this Agreement shall be under the exclusive supervision of Commission. Contractor understands and agrees that all such Commission personnel are assigned only for the convenience of Commission. Contractor hereby represents that its price, Project schedule, and performance hereunder are based solely on the work of Contractor's personnel, except as otherwise expressly provided in this Agreement.

5.3 Approval of Work

All tasks, subtasks, deliverables, goods, services and other work provided by Contractor pursuant to this Agreement must have the written approval of Commission's Project Manager, which approval will either be provided or withheld in a timely manner. Notwithstanding anything to the contrary in this Agreement, in no event shall Commission be liable or responsible for any payment in the absence of or prior to such written approval.

6. ADMINISTRATION OF AGREEMENT - CONTRACTOR

6.1 Contractor's Project Manager

- 6.1.1 Contractor's Project Manager shall be the following person who shall be a full-time employee of Contractor:

Name: Rafi Aghababian, Engagement Manager
Address: Austin, Texas
Phone: (818) 224-3946
Fax: (818) 224-4462
Email: raghababian@epicedge.com

- 6.1.2 Contractor's Project Manager shall be responsible for Contractor's performance and provision of all tasks, subtasks, deliverables, goods, services and other work hereunder and for ensuring Contractor's compliance with this Agreement.

6.1.3 Contractor's Project Manager shall also be responsible for Contractor's day-to-day activities as related to this Agreement and for reporting to Commission in the manner set forth in Paragraph 6.3 (Reports by Contractor).

6.1.4 Contractor's Project Manager shall be available to meet with Commission's Project Manager at least weekly to review Project progress and discuss Project coordination. Such meetings shall be conducted at a time and place mutually agreed.

6.2 Approval of Contractor's Staff

6.2.1 Commission has the absolute and ongoing right to approve or disapprove each member or proposed member of Contractor's staff performing work under this Agreement, including, but not limited to, Contractor's Project Manager, prior to and during their performance of any work hereunder. Contractor shall provide Commission with a resume of each such proposed initial staff member or his/her replacement, including, but not limited to, Contractor's Project Manager, and an opportunity to interview such person prior to his/her performance of any work hereunder.

6.2.2 In the event Contractor should need to remove any staff from performing work under this Agreement, Contractor shall provide Commission's Project Manager with a notice of its intention to remove the staff at least fifteen (15) days in advance, except in circumstances in which such notice is not possible, and shall work with Commission on a mutually agreeable transition plan so as to provide an acceptable replacement and ensure Project continuity. In addition, County's Project Manager may request replacement of any member of Contractor's staff performing, or offering to perform, work under this Agreement. The replacement staff to substitute the staff removed either by Contractor or at Commission's Project Manager's request shall be subject to the approval of the Commission's Project Manager, which approval shall not be unreasonably withheld.

6.2.3 Contractor represents and warrants that it shall, to the maximum extent possible, take all necessary steps to assure continuity over time of the membership of the group constituting Contractor's staff, including, but not limited to, Contractor's Project Manager. Contractor shall supply sufficient staff to discharge its responsibilities hereunder in a timely and efficient manner, including, without limitation, as required to comply with Exhibit A (Statement of Work) and Exhibit C (Project Schedule).

6.2.4 Contractor shall promptly fill any staff vacancy with personnel having qualifications at least equivalent to those of the staff member(s) being replaced. In fulfillment of its responsibilities under this Agreement, Contractor shall utilize, and permit utilization of, only staff fully trained and experienced, and as appropriate, licensed or certified in the technology, trades, tasks, subtasks, deliverables, goods, services or other work required by this Agreement.

6.3 Reports by Contractor

In order to control expenditures and to ensure the reporting of all tasks, subtasks, deliverables, goods, services and other work provided by Contractor, Contractor's Project

Manager shall provide to Commission, including Commission's Commission's Project Manager, written reports as described in Exhibit A (Statement of Work), which shall include, without limitation, the following information:

- A. Period covered by the report.
- B. Overview of the reporting period.
- C. Tasks, subtasks, deliverables, goods, services and other work scheduled for the reporting period, which were not completed.
- D. Tasks, subtasks, deliverables, goods, services and other work for the reporting period which were completed.
- E. Tasks, subtasks, deliverables, goods, services and other work completed in the reporting period, which were not scheduled.
- F. Tasks, subtasks, deliverables, goods, services and other work to be completed in the next reporting period.
- G. Issues to be resolved.
- H. Issues resolved.
- I. Summary of Project status as of reporting date.
- K. Any other information, which Commission may from time-to-time require.

7. ENTIRE AGREEMENT

This Agreement, together with the Recitals set forth in Paragraph 1 (Recitals) and all Exhibits, as defined in Paragraph 2 (Applicable Documents), constitutes the complete and exclusive agreement between the parties and supersedes any and all previous and contemporaneous agreements, whether written or oral, and any and all communications and negotiations between the parties relating to the subject matter of this Agreement. Commission reserves the right to initiate changes to any provision of this Agreement. Failure on the part of either party to enforce any provision of this Agreement shall not be construed as a waiver of the right to compel enforcement of such provision or provisions.

8. CHANGES TO AGREEMENT

No representative of either Commission or Contractor, including those named in this Agreement, is authorized to make any changes in any of the terms, obligations, or conditions of this Agreement, except through the procedures required under Paragraph 9 (Change Notices and Amendments).

9. CHANGE NOTICES AND AMENDMENTS

- 9.1 Commission reserves the right to change any portion of the work required under this Agreement and to any other provisions of this Agreement. All such changes shall be accomplished only as provided in this Paragraph 9.
- 9.2 For any change requested by the Commission, which does not affect the scope of work, term, payments, or any term or condition included in this Agreement, a Change Notice shall be prepared and executed by Commission's Purchasing Officer.

9.3 Except as otherwise provided in this Agreement, for any change requested by Commission which affects the scope of work, term, payments, or any term or condition included in this Agreement, including Customizations, a negotiated written Amendment to this Agreement shall be prepared and executed by Commission's Executive Director and Contractor's authorized representative.

9.4 Facsimile

Except for the parties' initial signatures to this Agreement, which must be provided in "original" form and not by facsimile, Commission and Contractor hereby agree to regard facsimile representations of original signatures of authorized officials of each party, when appearing in appropriate places on the Change Notices prepared pursuant to this Paragraph 9 and received via communications facilities, as legally sufficient evidence that such original signatures have been affixed to Change Notices to this Agreement, such that the parties need not follow up facsimile transmissions of such documents by subsequent (non-facsimile) transmissions of "original" versions of such documents.

10. TERM

The term of this Agreement shall commence upon the Effective Date and shall continue until the completion of all tasks, subtasks, deliverables, services and other work described in Exhibit A (Statement of Work) in accordance with Exhibit C (Project Schedule), unless terminated in whole or in part as provided in this Agreement, but in no event longer than through June 30, 2004. This Agreement may be extended only in accordance with Paragraph 9 (Change Notices and Amendments) above.

Contractor shall have no claim against the Commission for payment of any money or reimbursement, of any kind whatsoever, for any service provided by Contractor after the expiration or other termination of this Agreement. Should Contractor receive any such payment, it shall immediately notify the Commission and shall immediately repay all such funds to the Commission. Payment by the Commission for services rendered after expiration/termination of this Agreement shall not constitute a waiver of the Commission's right to recover such payment from Contractor. This provision shall survive the expiration or other termination of this Agreement.

11. SOURCES AND APPROPRIATION OF FUNDS

The Commission's obligation is payable only and solely from funds appropriated through the U.S. Department of Housing and Urban Development (HUD) and, for the purpose of this Agreement. All funds are appropriated every fiscal year beginning July 1.

In the event this Agreement extends into succeeding fiscal years and funds have not been appropriated, this Agreement will automatically terminate as of June 30 of the current fiscal year. The Commission will endeavor to notify the Contractor in writing within ten (10) days of receipt of non-appropriation notice.

12. CONTRACT SUM

12.1 General

The Contract Sum under this Agreement shall be the maximum monetary amount payable by Commission to Contractor for providing work requested and specified under this Agreement, including Customizations. All work completed by Contractor must be approved in writing by Commission. The Contract Sum, including all applicable taxes, authorized by Commission hereunder shall not exceed a total of Two Hundred Eight Thousand Three Hundred Dollars (\$208,300)) for the term of this Agreement.

12.2 Customizations

In the event Commission elects to purchase Customizations pursuant to Paragraph 4.2 (Customization), the Contract Sum shall be modified to include such Customizations by executing an Amendment to this Agreement in accordance with Paragraph 9 (Change Notices and Amendments).

13. INVOICES AND PAYMENTS

13.1 Approval of Invoices

All invoices submitted by Contractor for payment must have the written approval of Commission's Project Manager prior to any payment thereof. In no event shall Commission be liable or responsible for any payment prior to or absent such written approval.

13.2 Invoices

Contractor shall invoice Commission for all tasks, subtasks, deliverables, goods, services and other work specified in Exhibit A (Statement of Work) in accordance with Exhibit B (Schedule of Deliverables and Payments) after sign-off by Commission.

Provided Contractor is not in default of any provision of this Agreement, Commission will pay all properly submitted undisputed invoices, in full, within thirty days (30) of receipt thereof.

13.3 Contractor shall submit invoices to the following address, unless otherwise indicated by Commission:

Name: Yui Cheng, Director of Financial Management
Address: 2 Coral Circle, Monterey Park, California 91755

13.4 Each invoice submitted by Contractor shall indicate:

- A. The identifying Commission Agreement number;
- B. The services rendered;
- C. The actual hours billed;

- D. The date ranges in which those hours were worked;
- E. The total sum invoiced;
- F. The address to which payment shall be forwarded.

14. COMMISSION RESPONSIBILITIES

Commission shall:

- i. Designate and provide for the Statement of Work (Exhibit A) one (1) customer point of contact who will be responsible for responding to Contractor's questions and issues relating to the work and services relating to this Agreement.
- ii. Provide sufficient, qualified, knowledgeable personnel capable of (i) performing Commission's responsibilities set forth in this Agreement, (ii) making timely decisions necessary to move work forward in accordance with Exhibit C (Project Schedule), (iii) participating in the Projects and assisting Contractor in rendering the services, and (iv) facilitating modification, testing and implementation of Application Software, if applicable.
- iii. Provide Contractor with reasonable access to Commission's facilities during normal business hours and otherwise pursuant to Paragraph 46 (Access to Commission Facilities).
- iv. Provide Contractor with such reasonable working space, equipment and office support (including, but not limited to analog phone lines for dial up capabilities, digital or analog phone lines for long distance and local calls related to the conditions of this Agreement, photocopying equipment, and the like) and an adequate environment as to allow Contractor to conduct efficient analytical work and meetings with Commission personnel and/or Contractor's personnel in order to perform work and services under this Agreement. Reasonable working space and adequate environment will be determined by accepted industry standards and practices.

15. CONTRACTOR RESPONSIBILITIES

Contractor shall:

- i. Perform in a professional manner, to the satisfaction of Commission's Executive Director, all work and services described in Exhibit A (Statement of Work).
- ii. Unless otherwise agreed to in writing, provide such work and/or services during Commission's normal working hours.
- iii. Request access to Commission facilities outside of normal working hours pursuant to Paragraph 46 (Access to Commission Facilities).
- iv. Monitor and control the number of hours worked by Contractor personnel assigned to the Projects.

16. STANDARD OF SERVICES

If Contractor's services provided under this Agreement fail to conform to generally accepted standards in the industry, upon notice from Commission specifying the failure of performance, Contractor shall, at Contractor's sole expense, correct such data and re-perform services. Contractor shall, at its own expense, correct any data in which, and to the extent that, errors have been caused by Contractor or by malfunctions of Contractor's Customizations or any tools or other non-Application Software components introduced by Contractor onto the Commission's hardware for the purposes of this Agreement or otherwise.

17. GRATUITOUS WORK

Contractor agrees that should work or services, other than those set forth in Exhibit A (Statement of Work), be performed without the prior written modification of this Agreement in accordance with Paragraph 9 (Change Notices and Amendments), such work or services shall be deemed gratuitous for which Contractor shall have no claim.

18. IMPLEMENTATION OF APPLICATION SOFTWARE AND SUPPORT

18.1 Application Software Implementation

Contractor shall provide to Commission implementation services for the Application Software, including installation, data conversion, Interfaces, software configuration and any other work or services specified in Exhibit A (Statement of Work) in accordance with Exhibit C (Project Schedule).

18.2 Customizations

In addition, Contractor shall, if agreed to by Commission and Contractor pursuant to Paragraph 4.2 (Customizations), provide Customizations identified in and at the prices set forth in the Amendment executed in accordance with Paragraph 9 (Change Notices and Amendments).

18.3 Post-Implementation and Technical Support

Contractor shall, at no additional cost to Commission, provide to Commission:

- (i) post-implementation support services for two (2) weeks following Go Live date, and
- (ii) technical support services for four (4) months following Go Live date,

for the Application Software implementation services, Customizations and other work provided by Contractor under this Agreement, as identified in Task 6 (System Implementation and Support) of Exhibit A (Statement of Work).

19. INDEMNIFICATION

Contractor shall indemnify, defend and hold harmless Commission, the Housing Authority, County and its Special Districts, and their elected and appointed officers, employees and agents from and against any and all liability, including but not limited to, any demands, claims, actions, losses, damages, fees (including attorneys' fees and expert fees), costs and/or expenses, arising from or connected with Commission's acts and/or omissions relating to this Agreement.

20. WARRANTY

20.1 Contractor warrants it shall provide all work and services under this Agreement in a professional and workmanlike manner, correctly and without defects, Deficiencies, errors or omissions.

20.2 Contractor further warrants and represents that for the term of this Agreement:

- A. All tasks, subtasks, deliverables, goods, services and other work provided by Contractor pursuant to this Agreement shall be provided and/or performed in a timely and professional manner by qualified personnel. Time is of the essence for Contractor's performance under this Agreement;
- B. All software or data analyses used by Contractor, if any, shall be available to Commission during the term of this Agreement and for a period of five (5) years thereafter, provided that this warranty shall only apply to software or data analysis owned by or under the control of Contractor;
- C. All documentation, if any, developed under this Agreement shall be complete and uniform in appearance;
- D. Contractor shall not cause any unplanned interruption of the operations of, or accessibility to, Commission's system, or any component thereof, through any device, method, or means, including but not limited to any virus, lockup, time bomb, key lock, work, device, program, and/or disabling code.

20.3 Contractor does not provide a warranty for the basic PeopleSoft software or its functionality.

20.4 For any breach of the warranties contained herein, Contractor, at no additional cost to Commission, shall re-perform the work breaching the warranties. If re-performance of such work does not cure the problem(s), Contractor shall refund the amounts paid by Commission for the work that breached the warranties.

20.5 Contractor makes no other warranties or representations of any kind, express or implied, regarding the work and services performed hereunder, including, but not limited to, any implied warranties of merchantability or fitness for a particular purpose.

21. WARRANTY PASS-THROUGH

Contractor shall assign to Commission to the fullest extent permitted by law or by this Agreement and shall otherwise ensure that the benefits of any applicable warranty or indemnity offered by any manufacturer of any Customization or any other product or service provided hereunder shall fully extend to and be enjoyed by Commission.

22. PROPRIETARY CONSIDERATIONS

22.1 Commission Materials

Commission and Contractor agree that Commission shall be the sole owner of (i) any and all right, title, and interest in and to all software, materials, reports, policies and procedures, plans, diagrams, tools and any other information originated, created or developed by Contractor or as a result of Contractor's work pursuant to this Agreement (hereafter collectively referred to as "Commission Materials"), and all copyrights, patent rights, trade secret rights and other proprietary rights therein. Contractor hereby assigns and transfers to Commission all of Contractor's right, title and interest in and to all Commission Materials developed under this Agreement and all copyrights, patents, trade secret and other proprietary rights therein. Notwithstanding the foregoing, Commission grants to Contractor a non-exclusive, perpetual, irrevocable, unrestricted royalty-free license to reproduce, prepare derivative works based upon, distribute, use and sublicense those Commissions Materials used for the development of Customizations and implementation of Application Software, excluding: (i) any Commission Materials subject to the non-disclosure and confidentiality provisions under Paragraphs 27 (Disclosure of Information) and 28 (Confidentiality), (ii) any proprietary information and/or data of the Commission, and (iii) any information and/or data used or developed for Commission's business purposes including Commission's reports and policies and procedures.

22.2 Contractor's Obligations

During and for a minimum of five (5) years subsequent to the term of this Agreement, Contractor shall retain all Commission Materials and any and all working papers prepared by Contractor for the purpose of this Agreement and shall provide the security for and keep confidential all such Commission Materials and working papers. Furthermore, Contractor shall use whatever security measures are necessary to protect all such Commission Materials and Contractor's working papers from loss or damage by any cause, including fire and theft. Commission shall have the right to inspect any and all such Commission Materials and working papers, make copies thereof and use the Commission Materials, working papers and the information contained therein.

22.3 Copyright Notice

Contractor shall affix the following notice to all documentary and software items originated and developed pursuant to this Agreement: "© Copyright 200_, (such date as may be appropriate, i.e. 2003, etc.), Community Development Commission of the County of Los Angeles. All rights Reserved". Contractor shall affix such notice (1) at the beginning and at the end of any and all source code, such that on storage media and on

printouts, the notice appears with or near the title of each program; (2) continuously on all sign-on display screens; (3) on the title or inside cover page of all system, user, and technical documentation; and (4) as otherwise may be directed by Commission.

22.4 Proprietary and Confidential

Any and all materials, software, and tools which are developed or were originally acquired by Contractor outside the scope of and prior to this Agreement, which Contractor desires to use hereunder, and which Contractor considers to be proprietary or confidential, must be specifically identified in writing by Contractor to Commission's Project Manager as proprietary or confidential, and shall be plainly and prominently marked by Contractor as "PROPRIETARY" or "CONFIDENTIAL" on each appropriate page of any document containing such material (hereafter collectively referred to as "Contractor Materials").

22.5 Commission's Obligations

Commission will use best efforts not to reproduce, distribute or disclose to non-Commission entities any Contractor Materials without Contractor's prior written consent. Notwithstanding any other provision of this Agreement, Commission will not be obligated to Contractor in any way under this Agreement for (1) any Contractor Materials which are not plainly and prominently marked with restrictive legends as required by Paragraph 22.4 (Proprietary and Confidential) above, or (2) for any disclosure which Commission is required to make under any Federal or State law, including the California Public Records Act, or order of court.

23. INTELLECTUAL PROPERTY INDEMNIFICATION

23.1 Contractor shall indemnify, defend, and hold harmless Commission, the Housing Authority and the County of Los Angeles, and its elected and appointed officers, employees and agents from and against any and all liability, including but not limited to any demand, claim, action, proceeding, damage, fee, cost, and/or expense, including, but not limited to, demands, claims, actions, fees, costs, and expenses (including defense costs and attorney's fees and expert witness fees), for or by reason of any actual or alleged infringement of any third party's patent or copyright, or any actual or alleged unauthorized trade secret disclosure or misappropriation, arising from or related to this Agreement. Any legal defense pursuant to Contractor's indemnification obligations under this Paragraph 23 shall be conducted by Contractor and performed by counsel selected by Contractor and approved by Commission in writing. Notwithstanding the preceding sentence, Commission shall have the right to participate in any such defense at its sole cost and expense, except that in the event Contractor fails to provide Commission with a full and adequate defense, as required by law and this Agreement, Commission shall be entitled to reimbursement for all such costs and expenses.

23.2 In the event any Customization becomes the subject of any demand, dispute, complaint, claim, or proceeding alleging infringement or unauthorized disclosure, such that Commission's continued use of such Customization is restrained, enjoined, or subjected to a risk of damages, Contractor, at its sole expense, and providing that Commission's

continued use of the Application Software as modified by Customization(s) is not materially impeded, shall do one of the following:

- (1) Procure all rights, by license or otherwise, for Commission to continue to use Application Software as modified by the Customization(s) or affected module or part(s) thereof; or
- (2) To the extent Contractor is unable to procure such right, replace the affected Customization(s) with non-infringing, non-misappropriating and/or non-disclosing Customization(s).

24. INSURANCE

24.1 Insurance Requirements

Contractor shall procure and maintain at Contractor's expense for the duration of this Agreement the following insurance against claims for injuries to persons or damage to property, which may arise from or in connection with the performance of the work by the Contractor, its agents, representatives, employees or subcontractors.

- A. GENERAL LIABILITY INSURANCE (written on ISO policy form CG 00 01 or its equivalent) with limits of not less than the following:

General Aggregate	\$2,000,000
Products/Completed Operations Aggregate	\$1,000,000
Personal and Advertising Injury	\$1,000,000
Each Occurrence	\$1,000,000

An Umbrella may be used to satisfy the limits of liability as long as the total limits of the underlying policy and the Umbrella total \$2,000,000 or more. The Community Development Commission of the County of Los Angeles ("Commission"), the Housing Authority of the County of Los Angeles ("Housing Authority"), the County of Los Angeles ("County"), and their officials and employees, shall be covered as insureds with respect to: liability arising out of activities performed by or on behalf of the Contractor; products and completed operations of the Contractor; premises owned, leased or used by the Contractor.

- B. AUTOMOBILE LIABILITY INSURANCE (written on ISO policy form CA 00 01 or its equivalent) with a limit of liability of not less than \$1 million for each incident. Such insurance shall include coverage of all "owned", "hired" and "non-owned" vehicles, or coverage for "any auto". An Umbrella may be used to satisfy the limits of liability as long as the total limits of the underlying policy and the Umbrella total \$1,000,000 or more.

C. WORKERS' COMPENSATION and EMPLOYER'S LIABILITY insurance providing worker's compensation benefits, as required by the Labor Code of the State of California.

In all cases, the above insurance also shall include Employer's Liability coverage with limits of not less than the following:

Each Accident	\$1,000,000
Disease-policy limit	\$1,000,000
Disease-each employee	\$1,000,000

An Umbrella may be used to satisfy the limits of liability as long as the total limits of the underlying policy and the Umbrella total \$1,000,000 or more. Any self-insurance program and self-insured retention must be separately approved by the Commission.

Each insurance policy shall be endorsed to state that coverage shall not be canceled by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice has been given to the Commission.

Acceptable insurance coverage shall be placed with carriers admitted to write insurance in California or carriers with a rating of or equivalent to A: VIII by A.M. Best & Company. Any deviation from this rule shall require specific approval in writing by the Commission.

All coverage for subcontractors shall be subject to the requirements stated herein and shall be maintained at no expense to the Commission.

24.2 Evidence of Insurance

Contractor shall furnish the Commission with certificates of insurance and with original endorsements affecting coverage as required above. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

24.3 Failure to Maintain Coverage

Failure on the part of the Contractor to procure or maintain insurance required by this Agreement shall constitute a material breach of contract upon which the Commission may immediately terminate this Agreement.

25. SUBCONTRACTING

25.1 No performance of this Agreement, or any portion thereof, shall be subcontracted by Contractor without the prior written approval of Commission as provided in this Paragraph 25. Any attempt by Contractor to subcontract any performance under this Agreement without the prior written consent of Commission shall be null and void and

shall be deemed a material breach of this Agreement, upon which Commission may immediately terminate this Agreement.

- 25.2 When Contractor subcontracts any portion of its performance under this Agreement, Contractor shall provide to Commission, in writing, a request for written approval to enter into the particular subcontract, which request shall include:
- (1) The reason(s) for the particular subcontract;
 - (2) Identification of the proposed subcontractor and an explanation of why and how the proposed subcontractor was selected;
 - (3) A detailed description of the work to be performed by the proposed subcontractor;
 - (4) A draft copy of the proposed subcontract, which shall contain, at a minimum, all standard Commission required provisions;
 - (5) Unless otherwise determined unnecessary by Commission, copies of Certificates of Insurance and Performance Security from the proposed subcontractor which establish that the subcontractor maintains all the programs of insurance required by Paragraph 24 (Insurance);
 - (6) Other pertinent information and/or certifications requested by Commission.
- 25.3 Commission will review Contractor's request to subcontract and determine, in its sole discretion, whether or not to consent to such request on a case-by-case basis. Commission's Project Manager is authorized to act for and on behalf of Commission with respect to approval of any subcontracting and subcontractor employees.
- 25.4 Contractor shall indemnify, defend and hold harmless Commission, its officers, employees and agents, from and against any and all claims, demands, liabilities, damages, costs and expenses, including, but not limited to, defense costs and legal, accounting or other expert consulting or professional fees in any way arising from or related to Contractor's use of any subcontractor, including, without limitation, any officers, employees or agents of any subcontractor, in the same manner and to the same degree as required for Contractor, its officers, employees and agents, under this Agreement.
- 25.5 Notwithstanding Commission consent to any subcontracting, Contractor shall remain fully responsible for any and all performance required of it under this Agreement, including those which Contractor has determined to subcontract, including, but not limited to, the obligation to properly supervise, coordinate and perform all work required under this Agreement.

- 25.6 Commission's consent to any subcontracting shall not waive Commission's right to prior and continuing approval of any and all personnel, including subcontractor employees, providing services under this Agreement. Contractor shall notify its subcontractors of this Commission right prior to subcontractors commencing performance under this Agreement.
- 25.7 Notwithstanding Commission's consent to any subcontracting, Contractor shall be solely liable and responsible for any and all payments and other compensation to all subcontractors, and their officers, employees, agents, and successors in interest, for any services performed by subcontractors under this Agreement.
- 25.8 In the event that Commission consents to any subcontracting, for each subcontract entered into by Contractor, Contractor shall deliver to Commission's Project Manager immediately after the effective date of the subcontract, but in no event later than the date any work is performed under the subcontract:
- (1) A fully executed copy of each subcontract entered into by Contractor;
 - (2) An executed Employee Acknowledgement and Confidentiality Agreement (Exhibit D) for each subcontractor employee approved to perform work under this Agreement; and
 - (3) Contractor shall procure and maintain, at the Consultant's expense, for the duration of the contract, a program of insurance as outlined under Paragraph 24 (Insurance).

26. PROHIBITION AGAINST ASSIGNMENT AND DELEGATION

- 26.1 Contractor shall not assign any of its rights or delegate any of its duties under this Agreement, whether in whole or in part, without the prior written consent of Commission. Any assignment or delegation which does not have such prior Commission consent shall be null and void. Any billings to Commission by any delegatee or assignee on any claim under this Agreement absent such Commission consent shall not be paid by Commission. Any payments by Commission to any delegatee or assignee on any claim under this Agreement in consequence of the Commission consent shall reduce dollar for dollar and shall be subject to set-off, recoupment or other reduction for any claims which Contractor may have against Commission, whether under this Agreement or otherwise.
- 26.2 If any assumption, assignment, delegation, or takeover of any of Contractor's duties, responsibilities, or obligation occurs, or if any performance of same by any entity other than Contractor, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, occurs with or without consideration for any reason whatsoever without Commission's express prior written approval, Commission's Project Manager may, in his/her sole discretion, terminate this Agreement.

27. DISCLOSURE OF INFORMATION

Contractor shall not disclose any details in connection with this Agreement, including but not limited to any of its terms or conditions or any circumstances which occur during the performance of this Agreement, to any party except as may be otherwise provided herein or required by law.

28. CONFIDENTIALITY

Contractor shall keep confidential all of its reports, records, data and information received, including, but not limited to, billing and Commission records, prepared or assembled pursuant to the performance hereunder. Such information shall not be made available to any person, firm, corporation or entity without the prior written consent of Commission. Contractor shall inform all of its officers, employees and agents performing work hereunder of the confidentiality provisions of this Agreement. Contractor shall provide to Commission an executed Acknowledgement and Confidentiality Agreement (Exhibit D) for each of its employees performing work hereunder, in accordance with Paragraph 37 (Independent Contractor Status) of this Agreement.

29. TERMINATION FOR DEFAULT

29.1 Commission may, by written notice to Contractor, terminate the whole or any part of this Agreement if:

- (1) Contractor has failed to comply with the provisions of this Agreement or has materially breached this Agreement; or
- (2) Contractor fails to timely provide and/or satisfactorily perform any deliverable as specified in Exhibit A (Statement of Work); or
- (3) Contractor has breached the warranties set above in Paragraph 20 (Warranties) and has not cured such breach by re-performance of the work or services within fifteen (15) calendar days; or
- (4) Contractor fails to demonstrate a high probability of timely fulfillment of the performance requirements under this Agreement, or of any obligations of this Agreement, and in either case, fails to demonstrate convincing progress toward a cure within ten (10) days (or such longer period as Commission may authorize in writing by Commission's Project Manager) after receipt of the notice from Commission.

29.2 If, after Commission has given notice of termination under the provisions of this Paragraph 29, it is determined by Commission that Contractor was not in default, or that the default was excusable, the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to Paragraph 30 (Termination for Convenience).

29.3 The rights and remedies of Commission provided in this Paragraph 29 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

30. TERMINATION FOR CONVENIENCE

30.1 Commission may terminate this Agreement, in whole or in part, permanently or from time-to-time, when such action is deemed by Commission, in its sole discretion, to be in its best interest. Termination shall be effected by delivery to Contractor of a notice of termination specifying the extent to which performance of work is terminated and the date upon which such termination becomes effective, which shall be no less than ten (10) days

after the notice is sent. In the event Commission has purported to terminate this Agreement for default by notice pursuant to Paragraph 29 (Termination for Default) and it has later been determined that Contractor was not in default, no additional notice shall be required upon such termination.

30.2 Upon receipt of a notice of termination and except as otherwise directed by Commission, Contractor shall:

- (1) Stop work under this Agreement on the date and to the extent specified in such notice;
- (2) Transfer title and deliver to Commission all completed work and work in progress;
and
- (3) Complete performance of such part of the work as shall not have been terminated by such notice.

30.3 After receipt of a notice of termination, Contractor shall submit to Commission in the form and with any certifications as may be prescribed by Commission, Contractor's termination claim and invoice. Such claim and invoice shall be submitted promptly, but no later than thirty (30) days from the effective date of termination.

31. TERMINATION FOR IMPROPER CONSIDERATION

31.1 Commission may, by written notice to Contractor, immediately terminate the right of Contractor to proceed under this Agreement if it is found that consideration, in any form, was offered or given by Contractor, either directly or through an intermediary, to any Commission officer, employee or agent with the intent of securing this Agreement or securing favorable treatment with respect to the award, amendment or extension of this Agreement or the making of any determinations with respect to the Contractor's performance pursuant to this Agreement. In the event of such termination, Commission shall be entitled to pursue the same remedies against the Contractor as it could pursue in the event of default by Contractor.

31.2 Contractor shall immediately report any attempt by a Commission officer or employee to solicit such improper consideration. The report shall be made either to the Commission's Executive Director or to the County Auditor-Controller's Employee Fraud Hotline at (800) 544-6861.

31.3 Among other items, such improper consideration may take the form of cash, discounts, services, the provision of travel or entertainment, or tangible gifts.

32. TERMINATION FOR INSOLVENCY

32.1 Commission may terminate this Agreement immediately at any time upon the occurrence of any of the following:

- (1) Insolvency of Contractor. Contractor shall be deemed to be insolvent if it has ceased to pay or has admitted in writing its inability to pay its debts in the ordinary course of business or cannot pay its debts as they become due, whether or not a petition has been

filed under the United States Bankruptcy Code and whether or not Contractor is insolvent within the meaning of the United States Bankruptcy Code;

- (2) The filing of a voluntary or involuntary petition to have Contractor declared bankrupt;
- (3) Appointment of a receiver or trustee for Contractor; or
- (4) Execution by Contractor of an assignment for the benefit of creditors.

32.2 The rights and remedies of Commission provided in this Paragraph 32 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

33. TERMINATION FOR GRATUITIES

Commission may, by written notice to Contractor, terminate the right of Contractor to proceed under this Agreement upon one (1) calendar day's notice, if it is found that gratuities in the form of entertainment, gifts, or otherwise were offered or given by Contractor, or any agent or representative of Contractor, to any officer, employee, or agent of the County or Commission with a view toward securing a contract or securing favorable treatment with respect to the awarding or amending, or the making of any determinations with respect to the performing, of such contract. In the event of such termination, Commission shall be entitled to pursue the same remedies against Contractor as it could pursue in the event of default by Contractor.

34. COMMISSION'S QUALITY ASSURANCE PLAN

Commission will evaluate Contractor's performance under this Agreement on not less than an annual basis. Such evaluation will include assessing Contractor's compliance with all contract terms, conditions and performance standards. Contractor deficiencies, which Commission determines, are severe or continuing and that may place performance of the Agreement in jeopardy, if not corrected, will be reported to the Board of Commissioners. The report will include improvement/corrective action measures taken by Commission and Contractor. If improvement does not occur consistent with the corrective measure, Commission may, at its sole option, terminate this Agreement, in whole or in part, pursuant to Paragraph 30 (Termination for Convenience) or Paragraph 29 (Termination for Default), or impose other penalties as specified in this Agreement.

35. RECORDS AND AUDITS

35.1 Contractor shall maintain accurate and complete financial records of its activities and operation relating to this Agreement in accordance with generally accepted accounting principles. Contractor agrees that Commission, or its authorized representatives, shall have access to and the right to examine, audit, excerpt, copy, or transcribe any pertinent transaction, activity, or records relating to this Agreement. Contractor shall also provide access to Commission, the Federal Grantor agency, the Comptroller General of the United States, or any of their duly authorized representatives to any books, documents, papers and records of Contractor which are directly pertinent to this Agreement for the purpose of making audits, examinations, excerpts and transcriptions.

- 35.2 All such material, including, but not limited to, all financial records, timecards and other employment records, and proprietary data and information, shall be kept and maintained by Contractor and shall be made available to Commission during the term of this Agreement and for a period of five (5) years after Commission pays final payment and other pending matters are closed under this Agreement, unless Commission's written permission is given to dispose of any such material prior to such time. All such material shall be maintained by Contractor at a location in Los Angeles County, provided that if any such material is located outside Los Angeles County, then, at Commission's option, Contractor shall pay Commission for travel, per diem, and other costs incurred by Commission to examine, audit, excerpt, copy or transcribe such material at such other location.
- 35.3 In the event that an audit is conducted of Contractor specifically regarding this Agreement by any Federal or State auditor, or by any auditor or accountant employed by Contractor or otherwise, then Contractor shall file a copy of such audit report with County's Auditor-Controller within thirty (30) days of Contractor's receipt thereof, unless otherwise provided by applicable Federal or State law or under this Agreement. Commission shall make a reasonable effort to maintain the confidentiality of such audit report(s).
- 35.4 Failure on the part of Contractor to comply with any of the provisions of this Paragraph 35 shall constitute a material breach of this Agreement upon which Commission may terminate or suspend this Agreement.

36. LIMITATION OF LIABILITY

Each party agrees that the other party, its affiliates, subcontractors, and each of their partners, principals or employees, shall not be liable for any actions arising out of or relating to the work and services performed hereunder for an aggregate amount in excess of the Contract Sum. In no event shall either party, its affiliates, subcontractors, or any of their partners, principals or employees be liable for consequential, indirect or incidental damages, costs, expenses or losses (including lost data, lost profits and opportunity costs), nor shall they be liable for any claim or demand against the other party, provided such third party claim or demand would be subject to the provisions of this Paragraph 36 if it were a claim or demand made by one party hereto against another party hereto. The provisions of this Paragraph 36 shall apply regardless of the form of action, damage, claim, liability, cost, expense or loss, whether in contract, statute, negligence or otherwise. In no event shall the provisions of this Paragraph 36 apply to any fraud, willful, intentional or grossly negligent misconduct of any nature or any event giving rise to Contractor's obligations under Paragraph 23 (Intellectual Property Indemnification).

37. INDEPENDENT CONTRACTOR STATUS

- 37.1 This Agreement is by and between Commission and Contractor and not intended, and shall not be construed, to create the relationship of agent, servant, employee, partnership, joint venture, or association, as between Commission and Contractor. The employees and agents of one party are not and shall not be, or construed to be, the employees or agents of the other party for any purpose whatsoever. Contractor shall function as, and in all respects is, an independent contractor.

- 37.2 Contractor shall be solely liable and responsible for providing all compensation and benefits to, or on behalf of, all persons performing work pursuant to this Agreement. Commission shall have no liability or responsibility for the payment of any salaries, wages, unemployment benefits, disability benefits, Federal, State or local taxes, or other compensation, benefits or taxes for any personnel provided by or performing work on behalf of Contractor.
- 37.3 The employees and agents of Contractor shall, while on the premises of Commission, comply with all rules and regulations of the premises, including, but not limited to, security requirements.
- 37.4 Contractor shall provide to Commission an executed Employee Acknowledgment and Confidentiality Agreement (Exhibit D) for each of its employees performing work under this Agreement. Such agreements shall be delivered to Commission's Project Manager on or immediately after the execution of this Agreement by Commission's Board of Supervisors, but in no event later than the date any such employee first performs work under this Agreement.

38. EMPLOYEES OF CONTRACTOR

38.1 Workers' Compensation

Contractor understands and agrees that all persons performing services pursuant to this Agreement are for all purposes and, in particular, for purposes of workers' compensation liability, solely employees of Contractor and not employees of Commission. Contractor shall be solely liable and responsible for furnishing any and all workers' compensation benefits to any person as a result of any injuries arising from or connected with any work performed by or on behalf of Contractor under this Agreement.

38.2 Professional Conduct

Commission does not and will not condone any acts, gestures, comments or conduct from Contractor's employees, agents or subcontractors which may be construed as sexual harassment or any other type of activities or behavior that might be construed as harassment. Commission will properly investigate all charges of harassment by residents, employees or agents of Commission against any and all Contractor's employees, agents and subcontractors performing work under this Agreement. Contractor assumes all liability for the actions of Contractor's employees, agents or subcontractors and is responsible for taking appropriate action after reports of harassment are received by Contractor.

39. MOST FAVORED PUBLIC ENTITY

If Contractor's prices decline, or should Contractor, at any time during the term of this Agreement, provide the same goods or services under similar quantity and delivery conditions to the State of California, the County or any county, municipality, or district of the State at prices below those set forth in this Agreement, then such lower prices shall be immediately extended to Commission. Commission shall have the right, at Commission's expense, to utilize a Commission or County auditor or an independent auditor to verify

Contractor's compliance with this Paragraph 39 by review of Contractor's books and records.

40. WARRANTY AGAINST CONTINGENT FEES

40.1 Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this Agreement upon any agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by Contractor for the purpose of securing business.

40.2 For breach of this warranty, Commission shall have the right to terminate this Agreement and, at its sole discretion, deduct from the Agreement price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

41. AUTHORIZATION WARRANTY

Contractor represents and warrants that the person(s) executing this Agreement, or any Amendment thereto pursuant to Paragraph 9 (Change Notices and Amendments), for Contractor is an authorized agent who has actual authority to bind Contractor to each and every term, condition and obligation of this Agreement, and that all requirements of Contractor have been fulfilled to provide such actual authority.

42. ARM'S LENGTH NEGOTIATIONS

This Agreement is the product of Commission's competitive procurement and an arm's length negotiations between Contractor and Commission. Consequently, each party has had the opportunity to receive advice from independent legal counsel of its own choosing. This Agreement is to be interpreted fairly as between the parties and not strictly construed as against either party.

43. LICENSES, PERMITS, REGISTRATIONS, ACCREDITATIONS AND CERTIFICATES

Contractor shall obtain and maintain in effect during the term of this Agreement all licenses, permits, registrations, accreditations and certificates required by all Federal, State, and local laws, ordinances, rules, regulations, guidelines and directives, which are applicable to Contractor's services under this Agreement. Contractor shall further ensure that all of its officers, employees, agents and subcontractors who perform services hereunder, shall obtain and maintain in effect during the term of this Agreement all licenses, permits, registrations, accreditations and certificates which are applicable to their performance hereunder. A copy of each such license, permit, registration, accreditation and certificate required by all applicable Federal, State, and local laws, ordinances, rules, regulations, guidelines and directives shall be provided, in duplicate, to the Commission's Contracts Unit.

44. NOTICE OF DELAYS

Except as otherwise provided herein, when either party has knowledge that any actual or potential situation is delaying or threatens to delay the timely performance of this

Agreement, that party shall, within five (5) business days, give notice thereof, including all relevant information with respect thereto, to the other party.

45. COMMISSION AUDIT SETTLEMENTS

If, at any time during or after the term of this Agreement, representatives of Commission conduct an audit of Contractor regarding the work performed under this Agreement, and if such audit finds that Commission's dollar liability for such work is less than payments made by Commission to Contractor, then the difference, together with Commission's reasonable costs of audit, shall be either repaid by Contractor to Commission by cash payment upon demand or deducted from any amounts due to Contractor from Commission, as determined by Commission's Project Manager. If such audit finds that Commission's dollar liability for such work is more than payments made by Commission to Contractor, then the difference shall be repaid to Contractor by cash payment.

46. ACCESS TO COMMISSION FACILITIES

Contractor, its employees and agents, will be granted access to Commission facilities, subject to Contractor's prior notification to Commission's Project Manager, for the purpose of executing Contractor's obligations hereunder. Access to Commission facilities shall be restricted to normal business hours, except Commission observed holidays and the regularly scheduled days off. Access to Commission facilities outside of normal business hours must have prior written approval of Commission's Project Manager, which approval will not be unreasonably withheld. Contractor shall have no tenancy, or any other property or other rights, in Commission facilities. While present at Commission facilities, Contractor's personnel shall be accompanied by Commission personnel at all times, unless this requirement is waived in writing prior to such event by Commission's Project Manager.

47. CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM

Contractor acknowledges that the County of Los Angeles (hereinafter in this Paragraph 47 "County") has established a goal of ensuring that all individuals who benefit financially from County through contract, are in compliance with their court-ordered child, family and spousal support obligations in order to mitigate the economic burden otherwise imposed upon County and its taxpayers.

As required by County's Child Support Compliance Program (County Code Chapter 2.200) and without limiting Contractor's duty under this Agreement to comply with all applicable provisions of law, Contractor warrants that it is now in compliance and shall during the term of this Agreement maintain compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653a) and California Unemployment Insurance Code Section 1088.5, and shall implement all lawfully served Wage and Earnings Withholding Orders or District Attorney Notices of Wage and Earnings Assignment for Child or Spousal Support, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b).

48. TERMINATION FOR BREACH OF WARRANTY TO COMPLY WITH COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM

Failure of Contractor to maintain compliance with the requirements set forth in Paragraph 47 (Contractor's Warranty of Adherence to County's Child Support Compliance Program) shall constitute a default by Contractor under this Agreement. Without limiting the rights and remedies available to County under any other provision of this Agreement, failure to cure such default within ninety (90) days of notice by the Los Angeles County Child Support Services Department (CSSD) shall be grounds upon which the Commission Board of Commissioners may terminate this Agreement pursuant to Paragraph 29 (Termination For Default).

49. POST MOST WANTED DELINQUENT PARENTS LIST

Contractor acknowledges that the County places a high priority on the enforcement of child support laws and the apprehension of child support evaders. Contractor understands that it is County's and Commission's policy to strongly encourage all Contractors to voluntarily post an entitled "L.A.'s Most Wanted: Delinquent Parents" poster in a prominent position at Contractor's place of business. The Child Support Services Department (CSSD) will supply Contractor with the poster to be used.

50. DRUG-FREE WORKPLACE ACT OF THE STATE OF CALIFORNIA

Contractor certifies under penalty of perjury under the laws of the State of California that the Contractor will comply with the requirements of the Drug-Free Workplace Act of 1990.

51. SAFETY STANDARDS AND ACCIDENT PREVENTION

Contractor shall comply with all applicable Federal, State and local laws governing safety, health and sanitation. Contractor shall provide all safeguards, safety devices and protective equipment and take any other needed actions, as its own responsibility, reasonably necessary to protect the life and health of employees on the job and the safety of the public and to protect property in connection with the performance of this Agreement.

52. COMPLIANCE WITH LAWS

Contractor agrees to be bound by applicable federal, state and local laws, regulations, and directives as they pertain to the performance of this Agreement. This Agreement is subject to and incorporates the terms of the Housing and Community Development Act of 1974, as amended by the Cranston-Gonzalez National Affordable Housing Act, 1990, and the 24 CFR Part 85. If the compensation under this Agreement is in excess of \$100,000 then Contractor shall comply with applicable standards, orders, or requirements issued under section 306 of the Clean Air Act (42 U.S.C. 18579h)), section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11738, and Environmental Protection Agency Regulations (40 CFR part 15).

Contractor must obtain and present all relevant state and local insurance, training and licensing pursuant to services required within this Agreement.

53. CIVIL RIGHTS ACT OF 1964, TITLE VI (NON-DISCRIMINATION IN
FEDERALLY-ASSISTED PROGRAMS)

Contractor shall comply with the Civil Rights Act of 1964 Title VI which provides that no person shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.

54. SECTION 109 OF THE HOUSING AND COMMUNITY DEVELOPMENT ACT OF
1974

Contractor shall comply with Section 109 of the Housing and Community Development Act of 1974 which states that no person in the United States shall, on the grounds of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available under this title.

55. AGE DISCRIMINATION ACT OF 1975 AND SECTION 504 OF THE
REHABILITATION ACT OF 1973

Contractor shall comply with the Age Discrimination Act of 1975 and section 504 of the Rehabilitation Act of 1973, which require that no person in the United States shall be excluded from participating in, denied the benefits of, or subject to discrimination under this Agreement on the basis of age or with respect to an otherwise qualified disabled individual.

56. EXECUTIVE ORDERS 11246 AND 11375, EQUAL OPPORTUNITY IN
EMPLOYMENT (NON-DISCRIMINATION IN EMPLOYMENT BY GOVERNMENT
CONTRACTORS AND SUBCONTRACTORS)

- 56.1 Contractor shall comply with Executive Orders 11246 and 11375, Equal Opportunity in Employment, which require that during the performance of this Agreement, the Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated fairly during employment, without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of the non-discrimination clause.
- 56.2 Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.
- 56.3 Contractor will send to each labor union or representative of workers with which he has a collective bargaining Agreement or other contract or understanding, a notice to be provided by the agency of the Contractor's commitments under Section 202 of Executive

Order No. 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment. The Contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965, and of the rules, regulations and relevant orders of the Secretary of Labor.

56.4 Contractor will furnish all information and reports required by the Executive Order and by the rules, regulations and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by the Commission and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.

56.5 In the event of Contractor's noncompliance with the non-discrimination clauses of this Agreement or with any of such rules, regulations or orders, this Agreement may be canceled, terminated or suspended in whole or in part and the Contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in the Executive Orders and such other sanctions may be imposed and remedies invoked as provided in the Executive Order or by rule, regulation or order of the Secretary of Labor, or as otherwise provided by law.

56.6 Contractor will include the provisions of this Paragraph 56 in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of the Executive Order No. 11246 of September 24, 1965, that such provisions will be binding upon each subcontractor or vendor. Contractor will take such actions with respect to any subcontract or purchase order as the Commission may direct as a means of enforcing such provisions including sanctions for noncompliance, provided however, that in the event the Contractor becomes involved in, or is threatened with litigation by a subcontractor or vendor as a result of such direction by the Commission, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

57. SECTION 3 OF THE HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1968, AS AMENDED

57.1 The work to be performed under this Agreement is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (Section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low-and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

57.2 The parties to this Agreement agree to comply with HUD's regulations in 24 CFR Part 135, which implement Section 3. As evidenced by their execution of this Agreement, the parties to this Agreement certify that they are under no contractual or other impediment that would prevent them from complying with the Part 135 regulations.

57.3 Contractor agrees to send to each labor organization or representative of workers with which Contractor has a collective bargaining Agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the Contractor's commitments under this Section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment

positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

- 57.4 Contractor agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR Part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR Part 135. Contractor will not subcontract with any subcontractor where Contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR Part 135.
- 57.5 Contractor will certify that any vacant employment positions, including training positions, that are filled (1) after Contractor is selected but before the Agreement is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent Contractor's obligations under 24 CFR Part 135.
- 57.6 With respect to work performed in connection with Section 3 covered Indian housing assistance, section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this Agreement. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this Agreement that are subject to the provisions of Section 3 and section 7(b) agree to comply with Section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b).
- 57.7 Noncompliance with HUD's regulations in 24 CFR Part 135 may result in sanctions, termination of this Agreement for default, and debarment or suspension from future HUD assisted contracts.

58. LOBBYIST ORDINANCES

58.1 County Lobbyist Ordinance

Contractor and each County Lobbyist or County lobbyist firm, as defined in Los Angeles County Code Chapter 2.160 (County Ordinance 93-0031), retained by the Contractor, shall fully comply with the requirements as set forth in said County Code. Contractor must also certify in writing on the County Lobbyist Certification form that they are familiar with the Los Angeles County Code Chapter 2.160 and that all persons acting on behalf of the Contractor will comply with the County Code.

Failure on the part of Contractor and or Lobbyist to fully comply with the County Lobbyist requirements shall constitute a material breach of this Agreement upon which the Commission may immediately terminate this Agreement and the Contractor may be subject to civil liability pursuant to Los Angeles County Code Chapter 2.160 (County Ordinance 93-0031).

58.2 Federal Lobbyist Requirements

Contractor is prohibited by the Department of Interior and Related Agencies Appropriations Act, known as the Byrd Amendments, and HUD's 24 CFR Part 87, from using federally appropriated funds for the purpose of influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, loan or cooperative Agreement, and any extension, continuation, renewal, amendment or modification of said documents.

Contractor must certify in writing on the Federal Lobbyist Requirements Certification form that they are familiar with the Federal Lobbyist Requirements and that all persons and/or subcontractors acting on behalf of Contractor will comply with the Lobbyist Requirements.

Failure on the part of Contractor or persons/subcontractors acting on behalf of Contractor to fully comply with the Federal Lobbyist Requirements may be subject to civil penalties.

59. NOTICE TO EMPLOYEES REGARDING THE FEDERAL EARNED INCOME CREDIT

Contractor shall notify its employees, and shall require each subcontractor to notify its employees, that they may be eligible for the Federal Earned Income Credit under the federal income tax laws. Such notice shall be provided in accordance with the requirements set forth in Internal Revenue Service Notice 1015.

60. USE OF RECYCLED-CONTENT PAPER PRODUCTS

Consistent with the Commission's Board of Supervisors' policy to reduce the amount of solid waste deposited at the County landfills, Contractor agrees to use recycled-content paper to the maximum extent possible on the Project.

61. CONTRACTOR RESPONSIBILITY AND DEBARMENT

61.1 A responsible contractor is a contractor who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily perform the contract. It is the policy of the County, the Commission and the Housing Authority to conduct business only with responsible contractors.

61.2 Contractor is hereby notified that, in accordance with Chapter 2.202 of the County Code, if County, which, as defined under Section 2.202.020, includes Commission and the Housing Authority, acquires information concerning the performance of the Contractor on this or other contracts which indicates that the Contractor is not responsible, the County may, in addition to other remedies provided in the contract, debar Contractor from bidding on County, Commission or Housing Authority contracts for a specified period of time not to exceed 3 years, and terminate any or all existing contracts the Contractor may have with County, Commission or the Housing Authority.

- 61.3 Commission may debar a contractor if Commission's Board of Commissioners finds, in its discretion, that Contractor has done any of the following: (1) violated any term of a contract with County, Commission or the Housing Authority, (2) committed any act or omission which negatively reflects on the Contractor's quality, fitness or capacity to perform a contract with County, Commission or the Housing Authority or any other public entity, or engaged in a pattern or practice which negatively reflects on same, (3) committed an act or offense which indicates a lack of business integrity or business honesty, or (4) made or submitted a false claim against County, Commission or the Housing Authority or any other public entity.
- 61.4 If there is evidence that Contractor may be subject to debarment, Commission will notify Contractor in writing of the evidence, which is the basis for the proposed debarment and will advise Contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.
- 61.5 The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. Contractor and/or Contractor's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, Contractor Hearing Board shall prepare a proposed decision, which shall contain a recommendation regarding whether Contractor should be debarred, and, if so, the appropriate length of time of the debarment. If Contractor fails to avail itself of the opportunity to submit evidence to the Contractor Hearing Board, Contractor may be deemed to have waived all rights of appeal.
- 61.6 A record of the hearing, the proposed decision and any other recommendation of the Contractor Hearing Board shall be presented to Commission's Board of Commissioners. The Board of Commissioners shall have the right to modify, deny or adopt the proposed decision and recommendation of the Contractor Hearing Board.
- 61.7 The terms of this Paragraph 61 shall also apply to subcontractors, subconsultants and partners of County, Commission or Housing Authority contractors.

62. COMPLIANCE WITH JURY SERVICE PROGRAM

62.1 Jury Service Program

This Agreement is subject to the provisions of County's ordinance entitled Contractor Employee Jury Service ("Jury Service Program") as codified in Sections 2.203.010 through 2.203.090 of the Los Angeles County Code.

62.2 Written Employee Jury Service Policy

1. Unless Contractor has demonstrated to County's and Commission's satisfaction either that Contractor is not a "Contractor" as defined under the Jury Service Program (Section 2.203.020 of the County Code) or that Contractor qualifies for an exception to the Jury Service Program (Section 2.203.070 of the County Code), Contractor shall have and adhere to a written policy that provides that its Employees shall receive from Contractor, on an annual basis, no less than five (50) days of regular pay for actual jury service. The policy may provide that Employees

deposit any fees received for such jury service with Contractor or that Contractor deduct from the Employee's regular pay the fees received for jury service.

2. For purposes of this Paragraph 62, "Contractor" means a person, partnership, corporation or other entity which has a contract with County or Commission or a subcontract with a County or Commission contractor and has received or will receive an aggregate sum of \$50,000 or more in any 12-month period under one or more County or Commission contracts or subcontracts. "Employee" means any California resident who is a full time employee of Contractor. "Full time" means 40 hours or more worked per week, or a lesser number of hours if: 1) the lesser number is a recognized industry standard as determined by County, or 2) Contractor has a long-standing practice that defines the lesser number of hours as full-time. Full-time employees providing short-term, temporary services of 90 days or less within a 12-month period are not considered full-time for purposes of the Jury Service Program. If Contractor uses any subcontractor to perform services for the County under the Agreement, the subcontractor shall also be subject to the provisions of this Paragraph 62. The provisions of this Paragraph 62 shall be inserted into any such subcontract agreement and a copy of the Jury Service Program shall be attached to the agreement.
3. If Contractor is not required to comply with the Jury Service Program when the Contract commences, Contractor shall have a continuing obligation to review the applicability of its "exception status" from the Jury Service Program, and Contractor shall immediately notify Commission if Contractor at any time either comes within the Jury Service Program's definition of "Contractor" or if Contractor no longer qualifies for an exception to the Program. In either event, Contractor shall immediately implement a written policy consistent with the Jury Service Program. County or Commission may also require, at any time during the term of this Agreement and at its sole discretion, that Contractor demonstrate to the County's satisfaction that Contractor either continues to remain outside of the Jury Service Program's definition of "Contractor" and/or that Contractor continues to qualify for an exception to the Program.
4. Contractor's violation of this Section of the contract may constitute a material breach of the Agreement. In the event of such material breach, Commission may, in its sole discretion, terminate the Agreement and/or bar Contractor from the award of future County or Commission contracts for a period of time consistent with the seriousness of the breach.

63. CONFLICT OF INTEREST

Contractor represents, warrants and agrees that to the best of its knowledge, it does not presently have, nor will it acquire during the term of this Agreement, any interest direct or indirect, by contract, employment or otherwise, or as a partner, joint venture or shareholder (other than as a shareholder holding a one (1%) percent or less interest in publicly traded companies) or affiliate with any business or business entity that has entered into any contract, subcontract or arrangement with Commission. Upon execution of this Agreement and during its term, as appropriate, Contractor shall, disclose in writing to Commission any other contract or employment during the term of this Agreement by any other persons, business or corporation in which employment will or may likely

develop a conflict of interest between Commission's interest and the interests of the third parties.

64. VALIDITY AND SEVERABILITY

64.1 Validity

The invalidity, unenforceability or illegality of any provision of this Agreement shall not render the other provisions hereof invalid, unenforceable or illegal, unless the essential purposes of this Agreement shall be materially impaired thereby.

64.2 Severability

In the event that any provision herein contained is held to be invalid, void, or illegal by any court of competent jurisdiction, the same shall be deemed severable from the remainder of this Agreement and shall in no way affect, impair or invalidate any other provision contained herein. If any such provision shall be deemed invalid due to its scope or breadth, such provision shall be deemed valid to the extent of the scope or breadth permitted by law.

65. INTERPRETATION

No provision of this Agreement is to be interpreted for or against either party because that party or that party's legal representative drafted such provision, but this Agreement is to be construed as if drafted by both parties hereto.

66. WAIVER

No breach of any provision hereof can be waived unless in writing. Waiver of any one breach of any provision shall not be deemed to be a waiver of any breach of the same or any other provision hereof.

67. PATENT RIGHTS

Commission will hold all the patent rights with respect to any discovery or invention, which arises or is developed in the course of or under this Agreement.

68. NOTICES

68.1 Commission shall provide Contractor with notice of any injury or damage arising from or connected with services rendered pursuant to this Agreement to the extent that Commission has actual knowledge of such injury or damage. Commission shall provide such notice within ten (10) days of receiving actual knowledge of such injury or damage.

68.2 All notices or demands required or permitted to be given under this Agreement shall be in writing and shall be hand delivered with signed receipt or mailed by first-class registered or certified U.S. Mail, postage prepaid, addressed to the persons intended to receive the same, at the following addresses:

If to Commission:

Name:
Address:

If to Contractor:
Name:
Address:

- 68.3 Notices addressed as above provided shall be deemed delivered three (3) business days after mailed by U.S. Mail or when delivered in person with written acknowledgement of the receipt thereof. Contractor and Commission may designate a different address or addresses for notices to be sent by giving ten (10) days prior written notice of such change of address to all other parties entitled to receive notice.

69. GOVERNING LAW, JURISDICTION AND VENUE

This Agreement shall be governed by, and construed in accordance with, the substantive and procedural laws of the State of California applicable to agreements made and to be performed within the State. Contractor agrees and consents to the exclusive jurisdiction of the courts of the State of California for all purposes regarding this Agreement and further agrees and consents that venue of any action brought hereunder shall be exclusively in the County of Los Angeles, California. As with respect to claims that are subject to exclusive Federal subject matter jurisdiction, Contractor agrees and consents to the exclusive jurisdiction of the Federal District Court of the Central District of California.

70. NONEXCLUSIVITY

Nothing herein is intended nor shall be construed as creating any exclusive arrangement with Contractor. This Agreement shall not restrict Commission from requiring similar, equal or like goods and/or services from other entities or sources.

71. MINIMUM AGE, LANGUAGE SKILLS AND LEGAL STATUS OF CONTRACTOR PERSONNEL AT FACILITY

Contractor may not assign employees under the age of eighteen (18) to perform work under this Agreement. All of Contractor's employees working at Commission facilities must be able to communicate in fluent English. Contractor's employees must be United States citizens or legally present and permitted to work in the United States.

72. NO THIRD PARTY BENEFICIARIES

Notwithstanding any other provision of this Agreement, Contractor and Commission do not in any way intend that any person or entity shall acquire any rights as a third party beneficiary of this Agreement, except that this provision shall not be construed to diminish Contractor's indemnification obligations hereunder.

73. SAFELY SURRENDER BABY LAW

Contractor shall notify and provide to its employees, and shall require each subcontractor to notify and provide to its employees, a fact sheet regarding the Safely Surrender Baby Law, its implementation in Los Angeles County, and where and how to safely surrender a

baby. The fact sheet is available on the Internet at <http://www.babysafela.org> for printing purposes.

74. SURVIVAL

The following provisions of this Agreement shall survive its expiration or termination for any reason:

- 19 - Indemnification
- 20 - Warranty
- 22 - Proprietary Considerations
- 23 - Intellectual Property Indemnification
- 24 - Insurance
- 27 - Disclosure of Information
- 28 - Confidentiality
- 35 - Records and Audits
- 45 - Commission Audit Settlements.
- 61 - Contractor Responsibility and Debarment
- 62 - Compliance with Jury Service Program

SIGNATURES

IN WITNESS WHEREOF, Contractor and Commission have executed this Agreement through their duly authorized officers this _____ day of _____, 2003.

**COMMUNITY DEVELOPMENT COMMISSION
OF THE COUNTY OF LOS ANGELES**

By _____
Executive Director

CONTRACTOR

By _____
Title _____

COUNTY OF LOS ANGELES

APPROVED AS TO FORM:
LLOYD W. PELLMAN
County Counsel

By _____
Deputy

EXHIBIT A

STATEMENT OF WORK

- I. Introduction – This Statement of Work (SOW) describes the tasks and deliverables associated with the replacement of the existing CDC Budget system with the Budgeting 8.8, module from Peoplesoft, Inc. USA (Peoplesoft) Enterprise Performance Management System according to the provisions of the Contract with EpicEdge dated ____, 2003.
- II. INSTRUCTIONS – EpicEdge is expected to complete all Tasks and Deliverables under Section III according to the Project Schedule (Exhibit C) and all deliverables must be reviewed and approved by PeopleSoft. PeopleSoft is to report directly to the CDC on their review of each deliverable, and the CDC will have the final review and approval. Any PeopleSoft review of deliverables will be completed with the timeframe specified under Task 1, Project Planning.

III. TASKS AND DELIVERABLES

Task 1 PROJECT PLANNING

CDC Involvement - CDC will convene an Executive Steering Committee for this engagement within the first two (2) business days (excluding CDC observed Holidays) from the start of the project. This committee will be made up of decision makers from IT, Budgets, Financials, and HR.

Management Involvement - Managers for the departments affected by this project will be actively involved in this project. They will be expected to participate in all significant decisions affecting their respective area, and, where appropriate, provide resources to complete specific tasks that have been assigned to their department.

Key decisions and Deliverables review will be managed by a single point of contact within the LA County CDC (to be designated by the CDC at the start of the contract) and all signoffs will be completed within two (2) business days (excluding CDC observed Holidays) of submission (due to the criticality of the time and scope of the project). Any additional time will be billed on a time and materials basis.

Resource Commitment - CDC will have 2.5 FTE resources (CDC team leads, super users, network administrators, and business users) available as required, potentially up to 30-40 hours per week throughout the project which may increase during the testing phase.

Subtask 1.1 EpicEdge will provide on site project management support throughout the project.

Deliverable 1.1 The EpicEdge Project Manager will attend the CDC Steering Committee Meetings weekly and issue project performance reports to the CDC Project Management Team on a weekly basis.

Subtask 1.2 EpicEdge will develop the project management materials.

Deliverable 1.2 EpicEdge shall deliver the updated and detailed Project Work-plan, staffing plan, and training plan, including timeframes for completion of EpicEdge deliverables and a go-live no later than October 15, 2003, to CDC for their review and approval within seven (7) working days of the project start date.

Subtask 1.3 During the initial project planning phase, EpicEdge will review the technical assessment performed by LA County CDC. EpicEdge will provide comments to client on this matter.

Hardware Acquisition and Installation - New hardware and software purchasing and installation will take place no later than August 1, 2003. There will be no delays in the availability of hardware and software necessary to perform implementation. All proposed hardware, software and network equipment during the assessment phase has been completed and certified by PeopleSoft before the start of the project. In addition, the proposed solution will meet the needs of CDC in both the long and short-term. Lastly, the IVT has been performed by PeopleSoft creating a budgets model.

Software Selection - Software selection was based on CDC's independent evaluation of the software's ability to meet CDC's business requirements. EpicEdge anticipates some technical difficulties during this project, and has budgeted some technical resource time to assist CDC with related issues. Due to the criticality of this project, EpicEdge will monitor this area closely.

Help Desk - CDC will provide a central point-of-contact responsible for all Help Desk issues during the testing and post go-live support phase of the project in order to centrally control issues. EpicEdge will utilize CDC 's internal Help Desk.

Deliverable 1.3 EpicEdge shall deliver to CDC for their review and approval a completed Risk Assessment Report.

Subtask 1.4 EpicEdge will help the Commission define the Communication Plan, Issue Resolution Process, and Change Management and Training Plan documents. EpicEdge and CDC will share in the responsibility of the development of the Communication Plan, Change Management, and Issue Resolution procedures along with the Project Standards and Control guidelines.

Deliverable 1.4 EpicEdge shall develop the Cultural Change Management Plan, and provide CDC with initial drafts of the following:

- Communications Plan
- Issue Resolution Process

- Projects Standards and Control Guidelines

Task 2 PROTOTYPING

- Subtask 2.1 EpicEdge will review the functionality of CDC's current budget system and perform a fit/gap analysis with the Budgeting 8.8 module. EpicEdge shall prepare a report of the new module functionality, detailing any business processes and reports which do not meet the CDC's core functional requirements (detailed in Subtask 2.2 and Subtask 5.6 below). The report shall include, but not be limited to the following:
- What is considered customization and what is vanilla
 - Identification of how all the existing CDC budget user and reporting requirements will be met in Budgeting 8.8 or other modules owned by CDC (both technical and functional)
 - Identification of any Gaps where business requirements cannot be met in Budgeting 8.8
 - Identification of alternative work-arounds or business process changes instead of modifications to the Budgeting 8.8 module. The project utilizes PeopleSoft's best practices for process redesign. In essence, much of what is currently PeopleSoft's best practices will become the base specification for the new financial systems. It is assumed that any major redesign of finance operations will occur in potential future projects.
 - Determine impact on ongoing financial processes
 - Determine resource requirements as they relate to the implementation
 - Identify and recommend corrective action on any technical or functional concerns or foreseeable problems
 - Determine all functional requirements for inquiries and reports outlined in Subtask 2.2 and Subtask 5.6 and advise how they will be delivered
- Subtask 2.2 In conjunction with the CDC Project Team members, EpicEdge shall review the detailed Project Work-plan and identified requirements. The purpose is to review the detailed requirements of the CDC implementation and align the implementation project objectives with the CDC requirements for the Budgeting 8.8 implementation, limited to: General Ledger, Budgeting and HRMS. Full integration across all system functions, eliminating redundant data entry and storage and allowing real-time access to data across system functions and modules.
- Provisions for both on-line and batch entry, edit, update, and reporting capabilities for high volume data
 - Complete audit trail tracking of all transactions
 - Extended reporting and inquiry capabilities of both scheduled and ad hoc information requests
 - Access to prior year(s) for historical data comparative analysis and reporting. All budgeting data residing in the Financials 8.4 and HRMS 8.3 databases will be integrated into Budgeting 8.8 in order

to build the budget models. Examples of this data include current year actuals, last year actuals, current budget, etc. However, any other historical data residing in legacy systems will be out of scope for Go Live. Epic Edge can provide guidance to client on their data conversion. Any other assistance to the CDC with converting historical data from legacy systems into Budgeting 8.8 will be an additional cost.

- Ability to directly interface with, or otherwise efficiently transfer, a wide range of financial system data to PCs or remote locations for analysis or other appropriate use
- Security will be based on the 6 delivered roles by PeopleSoft. Any modification to these roles will be implemented and managed (includes setup, modification and testing) exclusively by the CDC with guidance from EpicEdge.
- User-friendly properties. Due to the diverse nature of end-users, ease of use in all operational modes is a major consideration
- Workflow routing will be based on the base line functionality delivered by PeopleSoft. Any modification to the workflow will be implemented and managed (includes setup, modification and testing) exclusively by the CDC with guidance from EpicEdge.
- Electronic approval will be based on the base line functionality delivered by PeopleSoft. Any modification to the electronic approval will be implemented and managed (includes setup, modification and testing) exclusively by the CDC with guidance from EpicEdge.
- Ability to perform all EOB functional requirements

Personnel/Position Budgeting – All inquiries/reports listed below must have the ability/option to include or exclude internal service units

- Input into budget system/Budgeting salary cost for each employee
- Budget individual employees with monthly/annual salaries, project information and its distribution (this may include the distribution of one employee to many projects, summing to 100%)
- Individual employee budgets need to show classification and changes of classification (i.e. Analyst II to Analyst III)
- Inquiries - Employee by Assignment
- Inquiry - Distribution by Assignment

EpicEdge will configure and implement delivered PeopleSoft integration points and ETL scripts between PeopleSoft Budgeting 8.8 and PeopleSoft HRMS 8.3, as it pertains to the scope of this project. If the defined data and reporting requirements for this project cannot be met due to data, functionality, set-up, or configuration issues within HRMS, it is outside the current scope. EpicEdge can provide an estimate to client at that time to assess (and correct) internal HRMS issues

that may impair its ability to meet Budgets 8.8 requirements. Should it be required that HRMS needs to be modified to meet the business needs of Budgeting 8.8 (specifically referring to Positioning Budgeting) LA County CDC will complete all tasks within required time of the project plan to meet all milestones, such as Unit Testing, Integration Testing, etc.

Financial Budgeting (CDC budgets at the account and project level) - All inquiries/reports listed below must have the ability/option to include or exclude internal service units.

- Input into system – Must be able to input/budget Individual revenue and expenditure accounts (non-personnel accounts, input budget amounts manually) by project and by categories (personnel, non-personnel, predevelopment, development, capital, IFT, etc.)
- Input into system – Must have a category that would identify internal services
- Inquiries – Must have inquiries on financial reports by account, by project consolidation, by department consolidation, by division consolidation, and by agency consolidation
- Must have allocation tables
- Inquiries and report for Fund listing
- Inquiries and report for Division listing
- Inquiries and report for Department listing
- Inquiries and report for Account listing
- IFTs and Internal Services Allocations. Guide the CDC in the configuration of the IFT and Internal Service allocations in the Budgeting 8.8 system and provide the CDC with documentation that the system will properly allocate from the Agency level down to the division level, department level and project level.
 - The allocation hierarchy is as follows:
 - Agency and Account
 - Division and Account
 - Department and Account
 - Project and Account

CDC will review our allocation processes with EpicEdge during the Fit/Gap Analysis.

These allocations can be performed in Financials (GL) and integrated over to Budgeting 8.8 or in Budgeting 8.8. EpicEdge will work closely with the CDC in determining the point in which these allocations will be processed during prototyping and will become a milestone in the final process flow diagram.

EpicEdge will utilize the same allocation structure used in the actuals ledger in the budgets ledger. It is assumed that all budget allocations will mimic the actuals allocations, whereby no reengineering or business processes will be required. If

discrepancies exist (i.e. redesign of tree structures), modifications of the allocation structure would be billed as a separate cost. All data reconciliation after testing to validate the allocations processes will be performed by the CDC.

- Setup - Add projects/department/division and adding accounts/fund
- Setup - Delete projects/department/division and deleting accounts/fund
- Setup - Budget individual employees with monthly/annual salaries, project information and its distribution (this may include the distribution of one employee to many projects, summing to 100%)
- Setup - Individual employee budgets need to show classification and changes of classification (i.e. Analyst II to Analyst III)

EpicEdge will configure and implement delivered PeopleSoft integration points and ETL scripts between PeopleSoft Budgeting 8.8 and PeopleSoft Financials 8.4, as it pertains to the scope of this project. If the defined data and reporting requirements for this project cannot be met due to data, functionality, set-up, or configuration issues within Financials, it is outside the current scope. EpicEdge can provide an estimate to client at that time to assess (and correct) internal Financials issues that may impair its ability to meet Budgeting 8.8 requirements. Should it be required that Financials needs to be modified to meet the business needs of Budgeting 8.8 LA County CDC will complete all tasks within required time of the project plan to meet all milestones, such as Unit Testing, Integration Testing, etc.

EpicEdge is responsible for fully comprehending the existing CDC budget system, position budgeting, financial budgeting, user requirements and reporting requirements as defined by the CDC.

EpicEdge will also provide CDC with a detailed implementation plan (refer to Exhibit C of the EpicEdge proposal) and clearly identify whether EpicEdge or CDC are responsible for each itemized task. If it is a shared task, outline which portion is related to EpicEdge and which portion is related to the CDC. The schedule will include a go live date of October 15, 2003.

Deliverable 2.1 Completed and CDC approved Fit/Gap Report.

Deliverable 2.2 EpicEdge shall define and prepare a report to CDC outlining where each functional requirement in Subtask 2.2 and Subtask 5.6 are derived from (i.e. BAM or Financials).

Subtask 2.3 EpicEdge to update Change Management Plan and Issue Management Log

Deliverable 2.3 EpicEdge to provide CDC with an updated Change

Management Plan and Issue Management Log.

Task 3 BUILD & TEST - Line-Item Budgeting and Position Budgeting

The activities focus on designing and building the target business processes related to line-item budgeting and position budgeting. During this phase EpicEdge shall:

- Configure and test base tables
- Design and build delivered PeopleSoft interfaces and integration points according to the project scope

Subtask 3.1 Set-up base tables and test. CDC will provide the necessary test data and resources to develop and run the test scripts.

Subtask 3.2 Interfaces will include the delivered PS integration points between HRMS and Financials only.

Subtask 3.3 Application workflow design and development and the documentation of new processes and procedures

Deliverable 3.1 Upon completion of Subtasks 3.1, 3.2 and 3.3, EpicEdge shall submit documentation confirming the test plan and results for the CDC's review.

Deliverable 3.2 Approval by the CDC of Deliverable 3.1.

Subtask 3.4 Design and development of application security requirements

Subtask 3.5 Development of Testing Plans

Subtask 3.6 Perform an integration test with financial and human resources applications. Integration tests will include the delivered PS integration points between HRMS and Financials only.

Deliverable 3.3 Upon completion of Subtasks 3.4, 3.5 and 3.6, EpicEdge shall submit documentation confirming the test plan and results for the CDC's review.

Deliverable 3.4 Approval by the CDC of Deliverable 3.3.

Task 4 TESTING

Subtask 4.1 Perform System Test

Subtask 4.2 Provide guidance to client as they perform User Test

Subtask 4.3 Integration Test including, but not limited to, financial and personnel data transfers from general ledger and HRMS.

Subtask 4.4 Functional Test, including, but not limited to, review and document that the system meets the functional business requirements defined in Subtask 2.2 above and Subtask 5.6 below.

Subtask 4.5 Full-System Test will include HRMS and PS GL to Budgeting and Budgeting to GL and HRMS, and EOB functional requirements as defined in Subtask 2.2 and Subtask 5.6. EpicEdge to provide recommendations on system improvements.

Deliverable 4.1 Demonstration and CDC approval of system ability to meet the functional requirements as set forth in Subtask 2.2 and Subtask 5.6, as well as written documentation on system performance against criteria established by the CDC. If any deficiencies are noted, EpicEdge will provide the CDC with options for providing software tuning and system performance improvements.

Task 5 DEPLOYMENT

Subtask 5.1 EpicEdge will migrate and validate the implementation environment
 Subtask 5.2 EpicEdge will assist the CDC in the preparation of training materials

Deliverable 5.1 EpicEdge to provide available basic training templates and documentation, and review and approve CDC modified training materials. Training documents and internal classes will be designed based primarily on standard software functionality. All training will utilize the “train the trainer concept”. All end user training and rollout will be managed by the CDC.

Subtask 5.3 EpicEdge will perform the cutover
 Subtask 5.4 Epic Edge will archive project diary
 Subtask 5.5 EpicEdge will perform quality review checkpoints

Deliverable 5.2 Based on criteria established by the CDC, EpicEdge to provide the CDC with written documentation on system performance against these criteria. If any deficiencies are noted, EpicEdge will provide the CDC with options for providing software tuning and system performance improvements.

Subtask 5.6 Reports (All reports or queries must have the ability to be downloaded to an Excel file). EpicEdge will work the CDC in determining which reports will be replaced by PeopleSoft delivered reports. All other remaining reports will be rewritten in either SQR, Query/Crystal or nVision, with EpicEdge assisting the CDC IT team.

Personnel/Position Budgeting

- Personnel Reports - Run employee budgets (individual/project/department/division/agency)
- Personnel Reports - Run job classification/position budgets by project/department/division/agency (i.e. ability to see break-down for all Analyst III employees in a particular project/department/division/Agency)
- Personnel Reports - Run employee counts and budget totals

by project/department/division/Agency (no names displayed – just position)

- Personnel Reports - Run contract employees count and budget total by project/department/division/Agency
- Personnel Reports - Run regular employees count and budget total by project/department/division/Agency
- Personnel Reports - Individual employee report - Reflect employee's salary broken down by individual months for current fiscal year, estimated for end of current fiscal year, and budget for next fiscal year (i.e. 2 months at \$3,000 and 10 months at \$3,200)
- Personnel Reports - Assignments. The job classification, the budgeted salary data, and the distribution information by percentage and project (subject to the description in the CDC approved Fit/Gap Analysis)

Financial Budgeting

- Budget Reports
- Budget Reports – Print out hard copies of Budget reports by project
- Budget Reports – Print out hard copies of Summary budget reports by department/division/agency
- Budget Reports – Print out hard copies of Variance reports between current year budget vs. current year estimate budget (by project, department, division, and Agency)
- Budget Reports – Print out hard copies of Variance reports between current year budget vs. next year budget (by project, department, division, and Agency)
- Budget Reports – Print out hard copies of Variance reports between prior year actual vs. next year budget (by project, department, division, and Agency)
- Budget Reports – Print out hard copies of Account totals reports by project/department/division
- Budget Reports – Print out hard copies of Consolidated reports by Housing, Non-Housing, Internal Services, Administration, and Agency
- Budget Reports – Print out hard copies of Allocation table report
- Internal services budget consolidation reports by project, department, division and agency
- Budget Reports – Print out hard copies of Consolidation reports by projects (minimum of 10), departments (minimum 10) and divisions (minimum 10).
 - ▶ Report must subtotal by category (Revenue is categorized as Housing Revenue, Other Grants, Fees and Charges, use of money, other revenue. Expense is categorized as Personnel, non-personnel, pre-development, subvention and disbursement, capital outlay, Internal fund transfer, reserve transfers.) The

grand total must include total revenue, total expenses/IFT, and total surplus/deficit

- ▶ Reports by project, department, division, and agency for all projects, departments, and divisions
- Determine all functional requirements for inquiries and reports outlined in Subtask 2.2 and Subtask 5.6 and advise how they will be delivered in Budgeting 8.8 (subject to the description in the CDC approved Fit/Gap Analysis)

Deliverable 5.3 Provide documentation to the CDC and CDC to confirm that all functional requirements outlined in Subtask 2.2 and Subtask 5.6 are functioning as intended

Task 6 SYSTEM IMPLEMENTATION AND SUPPORT

- Subtask 6.1 Help the user tailor their procedures where necessary
- Subtask 6.2 Configure software, as required, to accommodate the Commission's operating needs
- Subtask 6.3 Assist with testing before going live
- Subtask 6.4 Implementation support, either on-site or via telecommunication devices, during the initial operating period of each application module

Deliverable 6.1 Successful implementation and go live on October 15, 2003

Deliverable 6.2 EpicEdge shall provide post-production support for a period of two (2) weeks from the system go-live date

Deliverable 6.3 EpicEdge shall warranty all services and/or work performed by providing technical system maintenance and support for 120 days from the go-live date.

Task 7 IMPLEMENTATION PLAN AND SCHEDULE

- Subtask 7.1 Fit Analysis Performance
- Subtask 7.2 Prototype Build and Test
- Subtask 7.3 Guidance on Data conversion
- Subtask 7.4 Guidance End-User Procedures Creation
- Subtask 7.5 Interface Development (delivered PeopleSoft interfaces from HRMS and Financials)
- Subtask 7.6 Recommendations for Improvements on System Performance Tuning
- Subtask 7.7 Parallel Testing Conduction
- Subtask 7.8 Dates when implemented modules will become operational. Consultants should base their implementation schedule on their knowledge and experience with public agency operations and programs. Consultants should consider the Commission's limitations in regards to available, trained personnel when setting the conversion timetable.

Deliverable 7.1 Successful implementation and go live on October 15,
2003

EXHIBIT B

SCHEDULE OF DELIVERABLES AND PAYMENTS

I. DELIVERABLES:

<u>DELIVERABLE</u>	<u>DESCRIPTION</u>	<u>ASSOCIATED MILESTONE</u>	<u>% OF CONTRACT</u>	<u>MAXIMUM FIXED PRICE</u>
Deliverable 1.1	The EpicEdge Project Manager will attend the CDC Steering Committee Meetings weekly and issue project performance reports to the CDC Project Management Team on a weekly basis.	1	0%	\$ <u>0</u>
Deliverable 1.2	EpicEdge shall deliver the updated and detailed Project Work-plan, staffing plan, and training plan, including timeframes for completion of EpicEdge deliverables and a go-live date no later than October 15, 2003, to CDC for their review and approval within seven (7) working days of the project start date.	2	5%	\$ <u>8,515.00</u>
Deliverable 1.3	EpicEdge shall deliver to CDC for their review and approval a completed Risk Assessment Report.	3	2.5%	\$ <u>4,257.50</u>
Deliverable 1.4	EpicEdge shall develop the Cultural Change Management Plan and provide CDC with initial drafts of the following: <ul style="list-style-type: none"> • Communications Plan • Issue Resolution Process • Projects Standards and Control Guidelines 	4	2.5%	\$ <u>4,257.50</u>
Deliverable 2.1	Completed and CDC approved Fit/Gap Report.	5	10%	\$ <u>17,030.00</u>
Deliverable 2.2	EpicEdge shall define and prepare a report to CDC outlining where each functional requirement in Subtask 2.2 and Subtask 5.6 are derived from (i.e. BAM or Financials).	6	5%	\$ <u>8,515.00</u>
Deliverable 2.3	EpicEdge to provide CDC with an updated Change Management Plan and Issue Management Log.	7	2.5%	\$ <u>4,257.50</u>

Deliverable 3.1	Upon completion of Subtasks 3.1, 3.2 and 3.3, EpicEdge shall submit documentation confirming the test plan and results for the CDC's review.	8	2.5%	\$ <u>4,257.50</u>
Deliverable 3.2	Approval by the CDC of Deliverable 3.1.	9	7.5%	\$ <u>12,772.50</u>
Deliverable 3.3	Upon completion of Subtasks 3.4, 3.5 and 3.6, EpicEdge shall submit documentation confirming the test plan and results for the CDC's review.	10	2.5%	\$ <u>4,257.50</u>
Deliverable 3.4	Approval by the CDC of Deliverable 3.3.	11	7.5%	\$ <u>12,772.50</u>
Deliverable 4.1	Demonstration and CDC approval of system ability to meet the functional business requirements as set forth in Subtask 2.2 and Subtask 5.6, as well as written documentation on system performance against criteria established by the CDC. If any deficiencies are noted, EpicEdge will provide the CDC with options for providing software tuning and system performance improvements.	12	12.5%	\$ <u>21,287.50</u>
Deliverable 5.1	EpicEdge to provide available basic training templates and documentation, and review and approve CDC modified training materials. Training documents and internal classes will be designed based primarily on standard software functionality. All training will utilize the "train the trainer concept." All end user training and rollout will be managed by the CDC.	13	5%	\$ <u>8,515.00</u>
Deliverable 5.2	Based on criteria established by the CDC, EpicEdge to provide the CDC with written documentation on system performance against these criteria. If any deficiencies are noted, EpicEdge will provide the CDC with options for providing software tuning and system performance improvements.	14	7.5%	\$ <u>12,772.50</u>
Deliverable 5.3	Provide documentation to the CDC and CDC to confirm that all functional requirements outlined in Subtask 2.2 and Subtask 5.6 are functioning as intended.	15	10%	\$ <u>17,030.00</u>
Deliverable 6.1	Successful implementation and go live on October 15, 2003	16	5%	\$ <u>8,515.00</u>

Deliverable 6.2	EpicEdge shall provide post-production support for a period of two (2) weeks from the system go-live date.	17	7.5%	\$ <u>12,772.50</u>
Deliverable 6.3	EpicEdge shall warranty all services and /or work performed by providing technical system maintenance and support for 120 days from the go-live date.	18	0%	\$ <u>0</u>
	Final payment will take place 120 days after the go-live date		5%	\$ <u>8,515.00</u>
Deliverable 7.1	Successful implementation and go live on October 15, 2003	19	0%	\$ <u>0</u>
SUB - TOTAL				\$ <u>170,300.00</u>
PeopleSoft QA Resource¹				\$ <u>38,000.00</u>
GRAND TOTAL				\$ <u>208,300.00</u>

¹ EpicEdge's proposal included a quarter-time PeopleSoft Professional Services QA as prescribed. Associated costs for this resource will be billed as expended, not to exceed \$38,000.00.

EXHIBIT C
PROJECT SCHEDULE

<u>TASK</u>	<u>ASSOCIATED MILESTONES</u>	<u>DATE TO BE COMPLETED</u>
Task 1 - PROJECT PLANNING	1,2,3,4	August 12
Task 2 - PROTOTYPING	5,6,7	September 16
Task 3 - BUILD & TEST	8,9,10,11	October 7
Task 4 - TESTING	12	October 7
Task 5 - DEPLOYMENT	13,14,15	October 14
Task 6 - SYSTEM IMPLEMENTATION AND SUPPORT	16,17,18	October 28
Task 7 - IMPLEMENTATION PLAN AND SCHEDULE	19	NA

EXHIBIT D

**EMPLOYEE ACKNOWLEDGEMENT AND
CONFIDENTIALITY AGREEMENT**

PROJECT NAME: _____

PROJECT NUMBER: _____

CONTRACTOR/EMPLOYER NAME: _____

CONTRACT NUMBER: _____

GENERAL INFORMATION:

The organization identified above is under contract to provide certain services to the Community Development Commission of the County of Los Angeles ("Commission"). Commission requires each employee of this contractor performing services under this contract to understand his/her obligations to protect the confidentiality of the personal and proprietary data with which he/she will be in contact, and to acknowledge such obligations by executing this Contractor Employee Acknowledgment and Confidentiality Agreement.

EMPLOYEE STATUS ACKNOWLEDGMENT:

The contractor referenced above is my sole employer under the above-referenced contract. I am not an employee of the Commission for any purpose whatsoever, and I do not have and will not acquire any rights or benefit entitlements of any kind whatsoever from the Commission by virtue of my performance under such contract.

CONFIDENTIALITY AGREEMENT:

My work may be concerned with services provided by the Commission, and therefore I may have access to confidential data and information pertaining to private individuals and/or entities receiving such services. I may also have access to proprietary information belonging to other organizations doing business with the Commission. The Commission has a legal obligation to keep confidential all such data and information in its possession. By virtue of my involvement in Commission work, I too must protect the confidentiality of such data and information. I understand I must sign this agreement to be eligible to perform work for my employer under the Commission contract. I have read this agreement and have taken due time to consider it prior to signing.

I agree not to disclose to nor reproduce for the benefit of any unauthorized person, any data or information obtained while performing work under the above-referenced contract between my employer and the Commission. I agree to forward all requests for disclosure or copying of any such data or information in my possession or care to my immediate supervisor.

I agree to keep confidential all all data and information pertaining to persons and/or entitles receiving services from the Commission, all design concepts, algorithms, programs, formats, documentation, contractor's proprietary information, and all other original materials produced,

created or provided to or by me under the above-referenced contract. I agree to protect these confidential materials against disclosure to other than my employer or Commission employees who have a need to know the information. I agree that if proprietary information supplied by other Commission vendors is provided to me during this employment, I shall keep such information confidential.

I agree to report to my immediate supervisor any and all unauthorized disclosures or copying of confidential or proprietary data or information, whether accidental or intentional, and whether by myself and/or by any other person, of which I become aware. I agree to return all confidential materials to my immediate supervisor upon completion of this contract or upon termination of my employment with employer, whichever occurs first.

SIGNED: _____ DATE: ____/____/____

PRINTED: _____ POSITION: _____

SAMPLE CONTRACT/AMENDMENT NO. _____

THIS AMENDMENT No. _____ to Agreement made and entered into this _____ day of _____, _____, by and between the Community Development Commission of the County of Los Angeles (hereinafter "Commission") and _____ (hereinafter "Contractor").

WITNESSETH THAT:

WHEREAS, Commission and Contractor previously entered into an original Agreement on _____, 2003 (reference previous amendments, dates, amounts and purpose); and

WHEREAS, it now becomes necessary to amend said Agreement and both parties are desirous of such amendment.

NOW, THEREFORE, pursuant to Paragraph 9 (Change Notices and Amendments) of the Agreement and in consideration of the mutual undertakings herein, the parties hereto agree that said Agreement be amended as follows:

1. Exhibit A (Statement of Work) is amended as follows:
2. Paragraph 10 (Term) is amended to read as follows:
3. Paragraph 12 (Contract Sum) is amended to read as follows:
4. Etc.
5. Except as otherwise provided in this Amendment or any other previous amendment, all other terms and conditions of the Agreement shall remain unchanged and in full force and effect.

IN WITNESS, WHEREOF, Commission and Contractor, through their duly authorized officers, have executed this Amendment as of the date first above written.

**COMMUNITY DEVELOPMENT COMMISSION
OF THE COUNTY OF LOS ANGELES**

By: _____
Executive Director

CONTRACTOR (insert name of the Contractor's Company)

By _____

Title _____

COUNTY OF LOS ANGELES

APPROVED AS TO FORM:
LLOYD W. PELLMAN
COUNTY COUNSEL

By _____
Deputy